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Financial Statements and Operating Ratios for the Mortgage Banking Industry

1985

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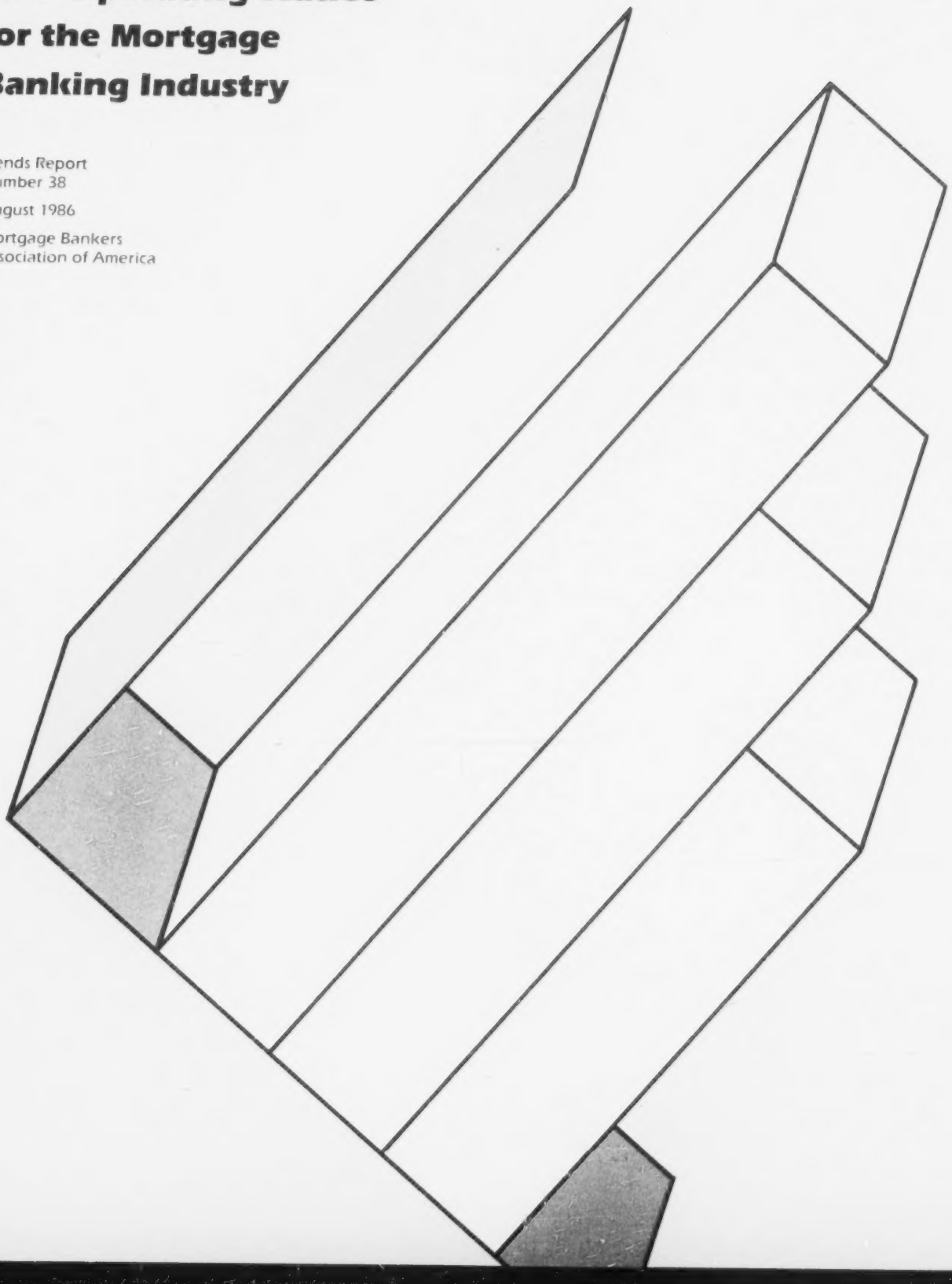

PREFACE

The 1985 Financial Statements and Operating Ratios, published annually by the Mortgage Bankers Association of America, is the twenty-second report in a series published since 1963. This report provides income statement and balance sheet data supplied by 163 mortgage companies. Their cooperation in providing the Association with this valuable industry information is most appreciated.

A steady decline in interest rates throughout most of 1985 led to a pickup in demand for fixed-rate mortgages and to a substantial rebound in loans originated by mortgage bankers. At the same time, the growth in loan origination volume coupled with increased purchases of servicing portfolios, contributed to large gains in both the number and dollar volume of loans serviced. As a consequence, total operating income rose significantly for most mortgage bankers. Unfortunately, expenses increased by nearly as much as total income, leaving net income essentially unchanged from 1984 levels. Given the very large growth in assets and equity that took place among mortgage companies, return on assets and equity declined in the industry for the second consecutive year.

To some degree, the decline in mortgage banker profitability reflected increased costs associated with stepped up servicing portfolio acquisitions. As such, the data exaggerate the drop in profitability, for part of the decline can be viewed as earnings foregone to secure improved profitability in future years. However, the data also show that rising costs associated with loan foreclosures, real estate owned and loan processing, were significant factors behind the deterioration in net earnings. Finally, the decline in profitability is in no small part, reflective of the increased competition fostered by new industry entrants seeking to participate in a segment of real estate finance that has typically recorded superior rates of return.

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Warren Lasko
Executive Vice President
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Profitability in the mortgage banking industry declined in 1985 for the second year in a row. The rate of return on assets for the typical firm was one-fifth below the 1984 level and the lowest since 1981. Gross income increased in an environment of declining mortgage interest rates, growing origination volume and larger servicing portfolios. But expenses rose nearly as much as gross income, so that net income was about unchanged from 1984 levels, and was spread over a larger base of assets and equity.

After rising briefly early in the year, interest rates on thirty-year fixed-rate mortgages dropped steadily throughout 1985, falling by over 200 basis points to roughly 11 percent by year end. This welcome development in interest rates coupled with the slow, but steady pace of economic growth and job creation, provided the environment that made possible an 11 percent increase in total housing sales in that year. The decline in mortgage rates also changed the composition of mortgage loan demand. The affordability of fixed-rate mortgages improved, leading to a resurgence in consumer demand for fixed-rate products. By the end of 1985, the ARMs share of total originations had dropped to less than one half, compared with more than two-thirds in 1984.

One result of this fundamental change in the mortgage market environment was a substantial rebound in loan origination volume by the mortgage banking industry in 1985. The average firm registered a 19 percent increase in the number of loan originations, and the dollar volume rose to $272 million, or 30 percent above the 1984 level. Single-family lending volume rose by 24 percent to $202 million per company and the office building construction boom of 1985 fostered a 50 percent surge in income property origination volume to $70 million per firm. This improvement in origination activity generated a 26 percent increase in origination income, as well as a 31 percent rise in related interest earnings. When combined with a 16 percent jump in loan administration income, total income increased to $19.6 million for the average firm, or 19 percent higher than in 1984.

At the same time, however, total expenses for the average firm jumped by 21 percent above the 1984 average to $17.4 million. While personnel expenses rose by 16 percent, the bulk of the cost increases occurred in the nonpersonnel categories where expenses aver-

ANALYSIS OF PROFITABILITY FOR THE AVERAGE FIRM
(dollars in thousands)

	1985	1984	1983	1982	1981
Average Assets[1]	$92,349	$71,560	$62,213	$47,591	$38,514
Average Equity[1]	$11,886	$ 9,284	$ 7,604	$ 6,315	$ 5,319
Income	$19,583	$16,446	$15,208	$11,847	$ 9,688
Net Income	$ 1,350	$ 1,321	$ 1,710	$ 1,207	$ 562
Profit Margin	6.89%	8.03%	11.24%	10.19%	5.80%
Asset Turnover[2]	21.2%	23.0%	24.4%	24.9%	25.2%
Return on Assets	1.46%	1.85%	2.75%	2.54%	1.46%
Leverage[3]	7.77	7.71	8.18	7.54	7.24
Return on Equity	11.36%	14.23%	22.49%	19.12%	10.57%

[1]Average assets and average equity are calculated by averaging beginning of year and year end figures.
[2]Total income divided by average assets.
[3]Assets divided by equity.

aged $11.7 million per company, or 23 percent higher than in 1984. The largest dollar volume increase was in interest expenses, which rose by more than $600,000 at the typical firm. This large jump in interest expense during a period of declining interest rates is likely the result of the financing of a much larger inventory of mortgage loans. In a relative sense, however, interest expense declined from nearly 29 percent of total income in 1984 to 27.6 percent in 1985. In terms of relative growth, the fastest growing expense item in the non-personnel category was provisions for loan losses (up 83 percent), reflecting losses associated with rising delinquency and foreclosure rates. This was followed by a 72 percent increase in the amortized cost of purchased servicing, reflecting the industry's ongoing demand for acquired servicing which can be placed on the balance sheets and amortized (retained servicing of internally generated loans are an off-balance sheet item).

Thus, even though total operating income for the average firm rebounded strongly in 1985, expenses rose sufficiently to leave average net income essentially unchanged at $1.35 million, a mere 2 percent above the 1984 level. Given that average assets grew by 29 percent, the rate of return on assets fell sharply. Also, the rate of return on equity dropped substantially. Similarly, the profit margin for the typical company declined for the second consecutive year, and the failure of total operating income to keep pace with the rise in average assets led to a deterioration in asset turnover.

Total equity for the average firm grew by nearly 30 percent to $13.4 million, marking the second consecutive year of rapid growth in that balance sheet item. In contrast to 1984, average asset growth kept pace with the rise in equity, leaving leverage for the average firm at 7.77, basically unchanged from 7.71 in 1984. As in 1984, the increase in mortgage company equity was due to a sharp jump in the Paid in Surplus item, which increased by nearly 80 percent. In contrast to 1984 when the increase in this item was principally confined to companies controlled by bank holding companies and other controlled subsidiaries, the Paid in Surplus item grew substantially for companies of all types of ownership. This strong growth in equity reflects the ongoing industry-wide effort to bolster capital bases to fund both servicing portfolio acquisitions and sharply higher loan origination volume. Purchased servicing, as reflected in the Other Non-Current Assets item, rose by 52 percent in 1985 for the typical firm. The growth in Other Non-Current Assets was particularly strong for S&L Service Corporations. This growth in purchased servicing by S&L Service Corporations appears to have been facilitated by the transferring of assets from the parent companies, as suggested by a nearly 90 percent increase in the Paid in Surplus item for the average S&L Service Corporation. The average savings and loan service corporation experienced a 40 percent increase in the size of its servicing portfolio—by far the largest by type of ownership. While the small sample of S&L Service Corporations in the 1985 survey precludes the drawing of definitive conclusions regarding the activities of these companies, at the very least these numbers reflect the thrift industry's growing presence in the mortgage banking field.

The 1985 rebound in origination volume was a major factor responsible for a 50 percent increase in the Total Inventory Asset item for the average company. The Inventory of First Mortgages at Cost was nearly 40 percent higher than in 1984. The largest percentage increases in inventory, however, occurred in the Home Improvement and Other Loans categories where inventories rose by 75 and 200 percent, respectively. The increases in these loan inventory categories took place among mortgage company subsidiaries of bank holding companies and S&L service corporations, where the origination of second trusts and other home equity lines of credit were most prevalent. In addition to the surge in origination volume, the substantial increase in total loan inventories stemmed from the lengthening of warehouse periods to take advantage of favorable interest rate spreads and marketing gains. In 1985, the warehouse period for single-family loans averaged 74 days compared with 68 days in 1984 and 58 days in 1983.

In short, the combination of rapid asset and equity growth and unchanged net income growth, led to a reduction in the return on assets and equity in 1985. In some respects, the raw figures on rates of return may overstate the decline in profits of mortgage bankers in 1985. In part, the decline in return on assets to 1.46 percent from 1.85 percent in 1984, and the drop in return on equity from 14.23 percent to 11.36 percent, reflects the increased costs incurred in acquiring servicing portfolios. This part of the 1985 decline in profitability could be interpreted as current earnings foregone to ensure greater income potential in future years. However, the data also reveal that the steep increase in loan loss provisions, as well as the continued escalation of loan processing costs exerted a significant drag on earnings performance and overall profitability.

Mortgage companies also continued to add loan origination staff in 1985, with the average firm employing 99 people in the origination area, or nearly 18 percent above the 1984 average. Given that the increase in origination personnel basically matched the rise in the number of average originations, the productivity of loan originators in 1985 was only marginally higher than the 1984 average of 31 loan originations per originator. Although the dollar volume of origination per loan originator did increase by nearly 9 percent to over $2.8 million, origination productivity nevertheless was 12 percent below the 1983 dollar volume of $3.2 million per loan originator.

In the loan administration area, the heavy acquistion of servicing portfolios in 1985 were accompanied by modest improvements in operating efficiency. The size of the average servicing staff rose 11 percent to 62 employees per firm, limiting the increase in the number of loans serviced per loan administration employee to 3 percent. However, with the increase in average loan size, the dollar volume of loans serviced per administration personnel improved by 15 percent to almost $27 million.

Summary

On balance, the 1985 Financial Statements and Operating Ratios survey data are reflective of an industry undergoing significant structural changes in the midst of a housing expansion. While surging origination volume contributed to healthy increases in operating income, the costs of keeping up with the expanded business led to net reductions in profitability.

In part, rising costs reflected large amounts of purchased servicing, as firms throughout the industry sought to secure high-quality servicing portfolios of sufficient size to take advantage of the economies of scale that exist in loan administration. These costs may be viewed as an investment to ensure improved profitability in future years. Increases in other expenditures, however, were a direct manifestation of disturbing trends within the industry. Costs associated with loan foreclosures and real estate owned continued to undermine profitability, as did rising loan processing costs.

Finally, downward pressure on profitability also stemmed from substantial numbers of new, well-capitalized entrants in mortgage banking. As increased competition reduced servicing margins and raised the cost of purchased servicing, profit margins have been squeezed in an industry that has traditionally recorded superior rates of return relative to other segments of the real estate finance sector.

COMPARATIVE INCOME STATEMENT—1985

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Table 1.01

COMPARATIVE INCOME STATEMENT—1985

By Millions of Dollars of Mortgage Loans Closed

Under $20	$20 to $50	$50 to $100	$100 to $200	$200 to $350	Over $350	Income Statement Account
						INCOME:
						Loan Administration
16.7%	28.8%	24.6%	25.3%	27.1%	26.5%	Servicing Fees, 1st Mtg. Loans
0.2	0.1	1.3	0.0	0.2	0.1	Servicing Fees, Non-1st Mtg. Loans
4.2	6.6	4.1	3.8	4.6	4.4	Other Loan Admin. Income
21.1%	**35.5%**	**30.0%**	**29.1%**	**31.9%**	**31.0%**	**Loan Administration Income**
						Loan Origination
18.1%	3.9%	3.3%	2.4%	1.1%	1.7%	Brokerage Fees
15.1	6.5	8.3	4.9	2.2	4.5	Gain or (Loss) on Mtgs. Sold (Gross)
8.7	3.7	3.2	5.1	4.0	4.5	FHA & VA 1% Fees, 1- to 4-unit
2.5	5.0	9.8	6.6	3.5	5.3	Conventional Fees, 1- to 4-unit
1.4	1.1	0.1	0.9	0.4	0.7	Multiunit Fees
0.5	0.9	0.6	1.8	2.3	1.5	Nonresidential Fees
0.4	0.6	1.4	2.7	1.7	2.5	Land Development & Const. Fees
1.1	1.0	4.4	3.3	2.1	2.3	All Other Loan Origination Income
47.8%	**22.7%**	**31.1%**	**27.7%**	**17.3%**	**23.0%**	**Loan Origination Income**
						Interest
18.2%	21.9%	22.2%	22.7%	24.1%	23.0%	Inventory of First Mortgages
4.2	7.0	7.0	11.9	8.8	11.1	Construction Loans
1.5	1.8	2.2	1.7	10.0	6.2	Other Interest Income
23.9%	**30.7%**	**31.4%**	**36.3%**	**42.9%**	**40.3%**	**Interest Income**
1.2%	**0.7%**	**0.3%**	**1.7%**	**0.9%**	**1.3%**	**Insurance Commissions**
1.4%	**2.0%**	**0.0%**	**0.5%**	**0.0%**	**0.0%**	**Property Management Income**
0.0%	**4.8%**	**0.0%**	**1.1%**	**4.8%**	**0.0%**	**Real Estate Commissions**
4.7%	**3.7%**	**7.2%**	**3.7%**	**2.0%**	**4.3%**	**Other Income**
100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**TOTAL INCOME**
						EXPENSES:
						Personnel
10.3%	7.5%	6.9%	5.1%	4.4%	4.9%	Loan Administration
16.5	13.9	11.1	15.6	11.3	14.0	Loan Origination
0.6	0.0	0.0	0.4	0.1	0.2	Insurance
0.5	0.7	0.0	0.2	0.0	0.1	Property Management
0.0	0.4	0.0	0.4	1.1	0.0	Real Estate
2.7	4.0	4.2	2.4	1.7	1.5	Management
4.8	6.7	3.5	6.6	4.0	3.5	All Other Personnel
3.2	0.6	0.7	0.3	0.4	0.0	Director's Fees
4.1	4.8	4.1	4.9	3.8	3.8	Employee Benefits & Expense
42.7%	**38.6%**	**30.5%**	**35.9%**	**26.8%**	**28.0%**	**Total Personnel Expense**
						Nonpersonnel Expense
17.5%	22.8%	24.7%	24.2%	30.0%	27.9%	Interest Expense
4.8	4.3	3.1	4.0	3.2	3.2	Occupancy
3.3	2.0	2.3	2.2	2.2	2.1	Electronic Data Processing
1.3	1.5	1.2	1.2	1.1	1.0	Other Equipment Rental
4.5	4.2	4.8	4.7	3.8	4.3	Office Supplies
2.1	1.1	1.0	1.2	1.0	1.1	Travel & Entertainment
0.9	0.8	0.5	0.7	0.4	0.3	Automobile
0.8	0.4	0.6	0.9	0.6	0.4	Advertising
4.2	1.2	1.5	1.1	2.7	1.0	Loan Processing
0.4	0.6	1.3	0.4	3.2	0.5	Brokerage Commissions
0.5	0.9	1.9	1.0	0.5	1.2	Commitment & Auction Fees
1.4	1.4	1.2	0.9	0.9	0.9	Legal & Auditing Fees
1.4	2.6	5.9	2.8	6.0	6.3	Amortization-Purchased Servicing
0.1	0.4	0.1	0.1	0.8	0.6	Real Estate & Property Management
0.1	1.2	0.1	0.1	0.2	0.2	Fees for GNMA Pools
0.0	0.9	0.8	1.9	0.9	3.9	Provision for Loan Losses
11.2	5.3	4.2	6.4	4.6	5.5	All Other Operating Expenses
54.5%	**51.6%**	**55.2%**	**53.8%**	**62.1%**	**60.4%**	**Total Nonpersonnel Expense**
97.0%	**90.4%**	**85.7%**	**89.9%**	**88.9%**	**88.6%**	**TOTAL EXPENSES**
3.0%	**9.6%**	**14.3%**	**10.1%**	**11.1%**	**11.4%**	**Net Operating Income**
(1.4)%	**0.0%**	**0.2%**	**0.9%**	**4.2%**	**1.0%**	**Net Nonrecurring Gain (Loss)**
1.6%	**4.8%**	**5.6%**	**4.7%**	**6.6%**	**5.8%**	**Taxes on Income**
0.0%	**4.7%**	**9.0%**	**6.3%**	**8.6%**	**6.5%**	**NET INCOME**
12	25	26	32	23	45	Number of Firms Reporting

COMPARATIVE INCOME STATEMENT—1985

By Millions of Dollars of Mortgage Loans Serviced

Table 1.02

MBA Chart of Accounts Account Number	Under $125	$125 to $350	$350 to $700	$700 to $1,500	$1,500 to $2,500	$2,500 or More	All Reporting Firms	Your Firm
----	3.8%	18.9%	21.4%	20.7%	22.4%	30.6%	26.4%	
----	0.1	2.1	0.1	0.0	0.0	0.2	0.2	
----	0.7	2.6	3.0	3.8	4.4	5.0	4.4	
3100	**4.6%**	**23.6%**	**24.5%**	**24.5%**	**26.8%**	**35.8%**	**31.0%**	
3210	6.4%	2.2%	2.3%	5.2%	1.0%	0.9%	1.9%	
3250	12.0	6.6	5.3	6.6	3.2	3.6	4.4	
3224	7.8	5.9	4.3	4.3	5.1	4.1	4.4	
3225	10.6	10.3	6.3	3.7	5.4	5.1	5.3	
----	0.4	1.0	2.9	0.2	0.3	0.5	0.6	
3221	0.7	0.7	1.2	4.5	1.0	1.2	1.6	
3222	0.3	0.5	1.8	3.6	1.4	2.4	2.3	
3280	3.3	6.7	2.4	3.2	3.4	1.9	2.4	
3200	**43.5%**	**33.9%**	**26.5%**	**31.3%**	**20.8%**	**19.7%**	**22.9%**	
3310	43.4%	27.0%	23.4%	20.5%	22.4%	22.5%	23.1%	
3320	3.3	2.3	7.7	17.9	7.5	10.5	10.5	
3340	0.8	2.1	1.7	2.8	10.2	6.9	6.1	
3300	**47.5%**	**31.4%**	**32.8%**	**41.2%**	**40.1%**	**39.9%**	**39.7%**	
3400	**0.1%**	**0.3%**	**1.0%**	**0.5%**	**1.3%**	**1.5%**	**1.2%**	
3700	**0.8%**	**0.8%**	**0.1%**	**0.2%**	**0.4%**	**0.0%**	**0.1%**	
3600	**0.6%**	**0.8%**	**11.5%**	**0.2%**	**0.7%**	**0.0%**	**1.0%**	
3800	**2.9%**	**9.5%**	**3.4%**	**2.1%**	**10.0%**	**3.1%**	**4.0%**	
3000	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	
----	3.3%	5.7%	4.4%	5.0%	4.8%	5.2%	5.0%	
----	15.8	13.4	14.2	13.9	14.9	13.0	13.6	
----	0.1	0.0	0.2	0.0	0.3	0.3	0.2	
----	0.3	0.1	0.1	0.0	0.2	0.1	0.1	
----	0.3	0.0	2.4	0.0	0.3	0.0	0.2	
----	2.1	6.6	2.1	3.0	1.3	1.4	1.8	
----	3.4	7.1	5.8	4.8	4.4	3.3	3.9	
4118	1.2	0.9	0.2	0.1	0.1	0.1	0.2	
4120	3.0	3.6	4.4	4.3	4.0	3.8	3.9	
—	**29.5%**	**37.4%**	**33.8%**	**31.1%**	**30.3%**	**27.2%**	**28.9%**	
4280	39.0%	23.9%	24.6%	22.3%	27.3%	28.7%	27.6%	
4130	2.6	4.4	4.1	3.3	3.2	3.2	3.3	
4160	1.4	1.6	2.2	1.8	2.4	2.2	2.1	
4153	0.8	1.1	1.2	0.8	0.8	1.2	1.1	
4170	3.7	4.6	4.2	3.6	4.4	4.4	4.2	
4180	1.1	1.3	1.1	1.2	1.0	1.1	1.1	
4190	0.6	0.5	0.7	0.7	0.5	0.3	0.4	
4220	0.6	0.7	1.2	0.4	0.9	0.3	0.5	
----	2.4	1.5	0.6	0.9	1.2	1.5	1.3	
4240	1.2	1.0	6.3	1.2	0.0	0.5	1.0	
----	2.3	1.3	0.8	0.2	3.8	0.7	1.1	
4210	1.0	1.4	1.1	0.7	0.8	0.9	0.9	
4270	0.4	0.9	2.7	1.8	3.5	8.1	5.8	
----	0.0	0.1	0.2	0.1	0.0	0.9	0.6	
----	0.0	0.2	0.5	0.2	0.1	0.3	0.2	
----	0.1	0.2	0.8	3.7	3.0	3.4	3.0	
----	7.6	5.7	4.0	5.1	4.8	5.6	5.4	
—	**64.8%**	**50.4%**	**56.3%**	**48.0%**	**57.7%**	**63.3%**	**59.6%**	
4000	**94.5%**	**87.8%**	**90.3%**	**79.3%**	**88.1%**	**90.5%**	**88.7%**	
—	**5.5%**	**12.2%**	**9.7%**	**20.7%**	**11.9%**	**9.5%**	**11.3%**	
—	**0.6%**	**0.0%**	**0.0%**	**2.2%**	**0.0%**	**1.8%**	**1.4%**	
4400	**2.8%**	**3.3%**	**4.7%**	**10.5%**	**5.8%**	**5.1%**	**5.8%**	
—	**3.2%**	**8.9%**	**5.1%**	**12.4%**	**6.1%**	**6.2%**	**6.9%**	
	31	21	32	31	16	32	163	

Table 1.03

COMPARATIVE INCOME STATEMENT—1985

By Percent of Income Property Loans Closed to Total Loans Closed

0% All Residential	Less than 10%	10% to 25%	25% to 50%	50% to 99%	100% Income Property	Income Statement Account
						INCOME:
						Loan Administration
26.5%	33.3%	30.2%	31.6%	15.9%	7.8%	Servicing Fees, 1st Mtg. Loans
0.2	0.2	0.4	0.0	0.0	0.0	Servicing Fees, Non-1st Mtg. Loans
5.1	5.6	3.9	4.5	2.7	0.7	Other Loan Admin. Income
31.8%	**39.1%**	**34.5%**	**36.1%**	**18.6%**	**8.5%**	**Loan Administration Income**
						Loan Origination
1.7%	2.6%	0.8%	1.1%	1.0%	14.4%	Brokerage Fees
7.8	2.2	2.2	3.8	1.4	0.0	Gain or (Loss) on Mtgs. Sold (Gross)
4.7	5.5	6.1	5.2	1.1	0.0	FHA & VA 1% Fees, 1- to 4-unit
6.0	6.3	4.6	5.2	4.9	0.0	Conventional Fees, 1- to 4-unit
0.1	0.3	0.7	0.7	2.1	0.7	Multiunit Fees
0.1	0.6	1.2	4.3	3.0	8.1	Nonresidential Fees
0.7	1.4	2.1	2.3	6.0	9.3	Land Development & Const. Fees
2.5	1.7	2.0	1.5	3.5	5.5	All Other Loan Origination Income
23.6%	**20.6%**	**19.7%**	**24.1%**	**23.0%**	**38.0%**	**Loan Origination Income**
						Interest
27.8%	27.3%	21.1%	20.6%	16.5%	0.5%	Inventory of First Mortgages
4.1	6.4	6.6	7.7	30.9	41.6	Construction Loans
7.1	1.9	7.8	1.5	9.3	1.8	Other Interest Income
39.0%	**35.6%**	**35.5%**	**29.8%**	**56.7%**	**43.9%**	**Interest Income**
0.9%	**1.5%**	**2.7%**	**1.4%**	**0.2%**	**0.0%**	**Insurance Commissions**
0.0%	**0.0%**	**0.2%**	**0.0%**	**0.1%**	**1.6%**	**Property Management Income**
0.0%	**0.0%**	**0.6%**	**6.2%**	**0.1%**	**4.1%**	**Real Estate Commissions**
4.5%	**3.3%**	**6.8%**	**2.3%**	**1.2%**	**4.1%**	**Other Income**
100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**TOTAL INCOME**
						EXPENSES:
						Personnel
5.3%	6.1%	4.4%	6.1%	3.6%	3.7%	Loan Administration
13.0	17.1	14.8	14.8	9.9	12.9	Loan Origination
0.0	0.0	1.0	0.1	0.0	0.0	Insurance
0.0	0.0	0.1	0.0	0.2	0.6	Property Management
0.0	0.0	0.3	1.4	0.0	0.3	Real Estate
2.1	1.4	1.2	1.1	1.9	4.9	Management
4.6	4.6	3.7	4.4	2.0	2.4	All Other Personnel
0.3	0.0	0.2	0.0	0.0	0.9	Directors' Fees
3.5	5.4	4.3	4.9	2.7	3.6	Employee Benefits & Expense
28.8%	**34.6%**	**30.0%**	**32.8%**	**20.3%**	**29.3%**	**Total Personnel Expense**
						Nonpersonnel Expense
26.6%	34.1%	21.3%	20.5%	42.2%	7.3%	Interest Expense
3.4	3.7	3.6	3.7	2.2	2.6	Occupancy
1.9	2.7	2.7	2.6	1.3	1.1	Electronic Data Processing
1.0	1.5	1.4	1.4	0.6	0.2	Other Equipment Rental
4.7	5.7	4.5	4.4	2.3	1.5	Office Supplies
1.1	1.1	1.2	1.1	0.9	1.6	Travel & Entertainment
0.4	0.5	0.4	0.6	0.2	1.0	Automobile
0.5	0.3	0.7	0.8	0.3	0.2	Advertising
1.5	3.2	0.9	1.1	0.5	0.2	Loan Processing
1.0	0.0	0.1	3.6	0.2	2.7	Brokerage Commissions
1.5	1.0	1.0	1.0	0.6	0.0	Commitment & Auction Fees
0.9	1.0	1.0	0.9	0.7	0.8	Legal & Auditing Fees
5.5	7.9	7.1	8.0	2.8	0.7	Amortization-Purchased Servicing
0.1	1.2	0.1	1.0	1.4	0.1	Real Estate & Property Management
0.1	0.2	0.6	0.3	0.1	0.0	Fees for GNMA Pools
2.8	0.9	2.4	1.9	5.1	12.1	Provision for Loan Losses
6.0	5.8	5.1	4.7	4.5	4.3	All Other Operating Expense
59.0%	**70.8%**	**54.1%**	**57.6%**	**65.9%**	**36.4%**	**Total Nonpersonnel Expense**
87.9%	**105.8%**	**84.1%**	**90.5%**	**86.0%**	**65.8%**	**TOTAL EXPENSES**
12.1%	**(5.8)%**	**15.9%**	**9.5%**	**14.0%**	**34.2%**	**Net Operating Income**
0.6%	**4.3%**	**0.1%**	**1.8%**	**2.6%**	**0.1%**	**Net Nonrecurring Gain (Loss)**
5.1%	**1.5%**	**6.7%**	**5.5%**	**7.9%**	**16.8%**	**Taxes on Income**
7.6%	**(3.0)%**	**9.3%**	**5.9%**	**8.7%**	**17.5%**	**NET INCOME**
79	20	18	17	17	12	Number of Firms Reporting

COMPARATIVE INCOME STATEMENT—1985

Table 1.04

By Percent of Income Property Loans Serviced to Total Loans Serviced

	0% All Residential	Less than 5%	5% to 15%	15% to 30%	30% to 90%	90% to 100%	All Reporting Firms	Your Firm
	23.5%	31.3%	28.6%	26.9%	20.0%	15.8%	26.4%	
	0.4	0.0	0.0	0.1	0.5	0.0	0.2	
	3.9	5.6	5.3	3.4	3.4	1.2	4.4	
	27.8%	**36.9%**	**33.9%**	**30.4%**	**23.9%**	**17.0%**	**31.0%**	
	2.5%	1.6%	0.8%	1.4%	3.4%	4.3%	1.9%	
	6.2	9.4	2.4	2.1	1.6	3.6	4.4	
	6.4	4.5	5.1	4.1	2.1	0.0	4.4	
	8.3	5.2	4.2	4.9	5.5	0.3	5.3	
	0.1	0.2	0.4	0.8	1.3	6.0	0.6	
	0.0	0.0	1.5	1.8	3.5	15.8	1.6	
	0.1	1.1	1.2	3.4	6.3	2.6	2.3	
	2.5	2.4	1.9	0.9	3.9	14.3	2.4	
	26.1%	**24.4%**	**17.5%**	**19.4%**	**27.6%**	**46.9%**	**22.9%**	
	31.8%	27.4%	21.0%	19.3%	16.8%	16.7%	23.1%	
	0.9	4.4	7.2	15.2	28.4	6.0	10.5	
	4.0	4.5	11.0	7.4	2.0	0.7	6.1	
	36.7%	**36.3%**	**39.2%**	**41.9%**	**47.2%**	**23.4%**	**39.7%**	
	0.5%	**1.3%**	**3.1%**	**0.6%**	**0.2%**	**0.0%**	**1.2%**	
	0.0%	**0.0%**	**0.2%**	**0.0%**	**0.1%**	**2.6%**	**0.1%**	
	0.0%	**0.0%**	**0.4%**	**3.8%**	**0.1%**	**6.0%**	**1.0%**	
	8.8%	**1.1%**	**5.9%**	**3.8%**	**0.8%**	**4.2%**	**4.0%**	
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	
	4.4%	5.1%	4.7%	4.9%	5.0%	3.6%	5.0%	
	15.1	13.4	13.5	12.9	12.6	18.5	13.6	
	0.0	0.1	0.8	0.1	0.0	0.0	0.2	
	0.0	0.0	0.1	0.2	0.0	1.0	0.1	
	0.0	0.0	0.2	0.9	0.0	0.5	0.2	
	3.2	1.5	1.4	1.0	2.4	2.3	1.8	
	7.2	2.8	3.8	3.8	2.7	3.8	3.9	
	0.3	0.3	0.2	0.0	0.0	1.3	0.2	
	3.3	4.2	4.4	4.2	3.1	5.0	3.9	
	33.5%	**28.4%**	**29.1%**	**28.0%**	**25.8%**	**36.0%**	**28.9%**	
	26.6%	27.4%	26.3%	29.6%	29.5%	17.0%	27.6%	
	4.1	3.2	3.2	3.2	3.0	2.6	3.3	
	2.6	1.4	1.9	3.1	1.9	1.1	2.1	
	1.0	0.9	1.2	1.2	1.1	0.1	1.1	
	5.6	4.8	4.1	3.9	3.2	1.7	4.2	
	1.3	1.1	1.0	0.9	1.3	2.0	1.1	
	0.5	0.3	0.5	0.4	0.3	0.9	0.4	
	0.6	0.3	0.6	0.6	0.3	0.2	0.5	
	1.5	1.5	1.1	2.0	0.7	0.2	1.3	
	0.8	1.0	0.1	2.4	0.7	0.5	1.0	
	2.9	0.5	0.7	0.9	1.1	0.2	1.1	
	1.0	0.9	0.9	0.9	1.0	1.1	0.9	
	3.3	9.6	3.8	8.2	3.5	1.5	5.8	
	0.1	0.1	0.6	1.1	0.9	0.2	0.6	
	0.2	0.1	0.3	0.5	0.2	0.0	0.2	
	0.8	4.2	1.8	3.3	5.2	1.2	3.0	
	5.7	6.7	5.3	4.3	4.7	5.9	5.4	
	58.6%	**64.0%**	**53.4%**	**66.5%**	**58.6%**	**36.4%**	**[illegible]6%**	
	92.2%	**92.4%**	**82.3%**	**94.4%**	**84.2%**	**72.4%**	**88.7%**	
	7.8%	**7.6%**	**17.7%**	**5.6%**	**15.8%**	**27.6%**	**11.3%**	
	1.4%	**0.2%**	**0.2%**	**2.8%**	**3.4%**	**0.1%**	**1.4%**	
	2.9%	**4.9%**	**7.4%**	**4.1%**	**8.7%**	**13.7%**	**5.8%**	
	6.2%	**2.9%**	**10.4%**	**4.3%**	**10.5%**	**14.0%**	**6.9%**	
	49	27	28	22	20	17	163	

Table 1.05

COMPARATIVE INCOME STATEMENT—1985

By Type of Ownership

Bank Holding Company Controlled	Service Corp. for S&L	Privately Held	All Other	All Reporting Firms	Your Firm	Income Statement Account
						INCOME:
						Loan Administration
26.0%	**36.8%**	**24.4%**	**24.7%**	**26.4%**	_____	Servicing Fees, 1st Mtg. Loans
0.1	0.1	0.1	0.6	0.2	_____	Servicing Fees, Non-1st Mtg. Loans
4.3	5.3	3.9	4.5	4.4	_____	Other Loan Admin. Income
30.4%	**42.2%**	**28.4%**	**29.8%**	**31.0%**	_____	**Loan Administration Income**
						Loan Origination
1.7%	2.8%	4.3%	0.7%	1.9%	_____	Brokerage Fees
2.9	8.8	5.2	6.4	4.4	_____	Gain or (Loss) on Mtgs. Sold (Gross)
3.9	5.1	5.1	5.2	4.4	_____	FHA & VA 1% Fees, 1- to 4-unit
4.9	6.2	4.5	6.7	5.3	_____	Conventional Fees, 1- to 4-unit
0.7	0.2	1.1	0.3	0.6	_____	Multiunit Fees
1.5	1.8	3.1	1.0	1.6	_____	Nonresidential Fees
3.2	0.6	1.0	1.0	2.3	_____	Land Development & Const. Fees
1.8	2.3	3.5	3.8	2.4	_____	All Other Loan Origination Income
20.6%	**27.8%**	**27.8%**	**25.1%**	**22.9%**	_____	**Loan Origination Income**
						Interest
21.4%	18.3%	19.4%	31.6%	23.1%	_____	Inventory of First Mortgages
15.9	2.8	4.5	1.8	10.5	_____	Construction Loans
8.8	0.6	2.9	2.5	6.1	_____	Other Interest Income
46.1%	**21.7%**	**26.8%**	**35.9%**	**39.7%**	_____	**Interest Income**
1.2%	**1.9%**	**1.7%**	**0.8%**	**1.2%**	_____	**Insurance Commissions**
0.0%	**0.0%**	**0.9%**	**0.0%**	**0.1%**	_____	**Property Management Income**
0.0%	**0.1%**	**8.6%**	**0.0%**	**1.0%**	_____	**Real Estate Commissions**
1.7%	**6.2%**	**5.9%**	**8.4%**	**4.0%**	_____	**Other Income**
100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	_____	**TOTAL INCOME**
						EXPENSES:
						Personnel
4.7%	6.8%	4.7%	5.4%	5.0%	_____	Loan Administration
12.5	15.7	15.8	14.5	13.6	_____	Loan Origination
0.1	0.6	0.4	0.3	0.2	_____	Insurance
0.1	0.0	0.3	0.0	0.1	_____	Property Management
0.0	0.1	1.9	0.0	0.2	_____	Real Estate Management
1.6	1.6	2.6	1.9	1.8	_____	All Other Personnel
3.3	5.5	4.9	4.5	3.9	_____	Director's Fees
0.0	0.1	0.5	0.4	0.2	_____	Employee Benefits & Expense
3.8	5.6	4.6	3.3	3.9	_____	**Total Personnel Expense**
26.1%	**36.0%**	**35.9%**	**30.3%**	**28.9%**	_____	
						Nonpersonnel Expense
31.1%	15.6%	20.2%	26.5%	27.6%	_____	Interest Expense
2.9	5.0	3.7	3.5	3.3	_____	Occupancy
2.0	3.5	1.9	2.2	2.1	_____	Electronic Data Processing
1.1	1.5	0.9	1.0	1.1	_____	Other Equipment Rental
3.8	5.3	4.6	4.9	4.2	_____	Office Supplies
1.1	1.2	1.2	1.2	1.1	_____	Travel & Entertainment
0.3	0.7	0.7	0.3	0.4	_____	Automobile
0.4	0.6	1.1	0.4	0.5	_____	Advertising
1.2	2.2	0.8	1.7	1.3	_____	Loan Processing
0.2	1.7	4.4	0.9	1.0	_____	Brokerage Commissions
0.6	2.0	1.3	2.1	1.1	_____	Commitment & Auction Fees
0.8	1.7	1.2	1.0	0.9	_____	Legal & Auditing Fees
5.5	4.9	7.1	6.3	5.8	_____	Amortization-Purchased Servicing
0.9	0.1	0.1	0.1	0.6	_____	Real Estate & Property Management
0.2	0.6	0.3	0.2	0.2	_____	Fees for GNMA Pools
4.0	3.5	0.9	1.2	3.0	_____	Provision for Loan Losses
5.1	3.4	6.2	6.6	5.4	_____	All Other Operating Expense
61.2%	**53.5%**	**56.6%**	**60.1%**	**59.6%**	_____	**Total Nonpersonnel Expense**
87.2%	**89.7%**	**92.7%**	**90.4%**	**88.7%**	_____	**TOTAL EXPENSES**
12.8%	**10.3%**	**7.3%**	**9.6%**	**11.3%**	_____	**Net Operating Income**
2.2%	**0.0%**	**0.7%**	**0.3%**	**1.4%**	_____	**Net Nonrecurring Gain (Loss)**
7.2%	**1.8%**	**5.3%**	**3.8%**	**5.8%**	_____	**Taxes on Income**
7.7%	**8.5%**	**2.7%**	**6.2%**	**6.9%**	_____	**NET INCOME**
69	13	50	31	163	_____	Number of Firms Reporting

INCOME STATEMENT 1985—AVERAGE FIRM

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Table 2.01

INCOME STATEMENT 1985—AVERAGE FIRM

By Millions of Dollars of Mortgage Loans Closed

Under $20	$20 to $50	$50 to $100	$100 to $200	$200 to $350	Over $350	Income Statement Account
		(Dollars in Thousands)				
						INCOME:
						Loan Administration
$ 185	$ 773	$1,344	$2,380	$ 6,130	$12,671	Servicing Fees, 1st Mtg. Loans
2	4	72	4	44	57	Servicing Fees, Non-1st Mtg. Loans
47	179	221	359	1,051	2,080	Other Loan Admin. Income
$ 234	**$ 961**	**$1,637**	**$2,743**	**$ 7,225**	**$14,808**	**Loan Administration Income**
						Loan Origination
$ 200	$ 105	$ 178	$ 221	$ 251	$ 815	Brokerage Fees
167	176	450	459	491	2,158	Gain or (Loss) on Mtgs. Sold (Gross)
96	99	174	476	910	2,145	FHA & VA 1% Fees, 1- to 4-unit
28	134	533	623	802	2,545	Conventional Fees, 1- to 4-unit
16	31	5	85	99	316	Multiunit Fees
5	23	31	167	523	701	Nonresidential Fees
4	17	78	252	375	1,187	Land Development & Const. Fees
12	26	239	307	486	1,114	All Other Loan Origination Income
$ 528	**$ 611**	**$1,688**	**$2,590**	**$ 3,937**	**$10,981**	**Loan Origination Income**
						Interest
$ 202	$ 593	$1,208	$2,137	$ 5,463	$10,981	Inventory of First Mortgages
46	188	383	1,117	1,997	5,292	Construction Loans
17	48	120	156	2,272	2,937	Other Interest Income
$ 265	**$ 829**	**$1,711**	**$3,410**	**$ 9,732**	**$19,210**	**Interest Income**
$ 13	**$ 19**	**$ 18**	**$ 161**	**$ 208**	**$ 631**	**Insurance Commissions**
$ 16	**$ 54**	**$ 2**	**$ 47**	**$ 8**	**$ 15**	**Property Management Income**
$ 0	**$ 129**	**$ 0**	**$ 106**	**$ 1,079**	**$ 20**	**Real Estate Commissions**
$ 52	**$ 100**	**$ 396**	**$ 341**	**$ 454**	**$ 2,063**	**Other Income**
$1,107	**$2,704**	**$5,453**	**$9,398**	**$22,644**	**$47,728**	**TOTAL INCOME**
						EXPENSES:
						Personnel
$ 114	$ 203	$ 375	$ 483	$ 998	$ 2,349	Loan Administration
183	376	604	1,464	2,562	6,659	Loan Origination
7	1	0	38	21	113	Insurance
6	20	0	18	2	31	Property Management
0	12	0	36	240	13	Real Estate
30	108	229	230	376	723	Management
53	180	193	622	912	1,655	All Other Personnel
35	17	38	30	82	21	Directors' Fees
45	129	223	461	861	1,808	Employee Benefits & Expenses
$ 473	**$1,046**	**$1,662**	**$3,382**	**$ 6,054**	**$13,372**	**Total Personnel Expense**
						Nonpersonnel Expense
$ 194	$ 616	$1,349	$2,274	$ 6,796	$13,305	Interest Expense
53	116	171	374	731	1,529	Occupancy
37	55	124	209	507	987	Electronic Data Processing
14	41	68	109	240	501	Other Equipment Rental
50	115	260	449	854	2,048	Office Supplies
23	31	53	117	227	540	Travel & Entertainment
10	21	25	67	93	167	Automobile
9	11	31	88	147	188	Advertising
47	32	81	106	605	486	Loan Processing
4	16	70	34	717	246	Brokerage Commissions
5	26	105	91	117	597	Commitment & Auction Fees
16	39	66	80	213	428	Legal & Auditing Fees
16	69	324	266	1,360	3,018	Amortization-Purchased Servicing
1	11	4	9	183	292	Real Estate & Property Management
1	32	6	9	53	118	Fees for GNMA Pools
0	25	46	183	200	1,865	Provision for Loan Losses
124	142	230	601	1,039	2,614	All Other Operating Expense
$ 604	**$1,398**	**$3,013**	**$5,066**	**$14,082**	**$28,929**	**Total Nonpersonnel Expense**
$1,074	**$2,444**	**$4,672**	**$8,446**	**$20,138**	**$42,301**	**TOTAL EXPENSES**
$ 33	**$ 259**	**$ 780**	**$ 951**	**$ 2,506**	**$ 5,427**	**Net Operating Income**
$ (15)	**$ (1)**	**$ 13**	**$ 83**	**$ 940**	**$ 463**	**Net Nonrecurring Gain (Loss)**
$ 18	**$ 130**	**$ 303**	**$ 446**	**$ 1,496**	**$ 2,770**	**Taxes on Income**
$ 0	**$ 128**	**$ 490**	**$ 588**	**$ 1,950**	**$ 3,120**	**NET INCOME**
12	25	26	32	23	45	Number of Firms Reporting

INCOME STATEMENT 1985—AVERAGE FIRM

By Millions of Dollars of Mortgage Loans Serviced

Table 2.02

MBA Chart of Accounts Account Number	Under $125	$125 to $350	$350 to $700	$700 to $1,500	$1,500 to $2,500	$2,500 or More	All Reporting Firms	Your Firm
				(Dollars in Thousands)				
-----	$ 123	$ 798	$1,552	$ 2,862	$ 5,451	$18,681	$ 5,178	
-----	3	87	6	6	6	103	35	
-----	22	108	221	520	1,065	3,028	859	
3100	**$ 148**	**$ 993**	**$1,779**	**$ 3,388**	**$ 6,522**	**$21,812**	**$ 6,072**	
3210	$ 272	$ 91	$ 169	$ 723	$ 240	$ 537	$ 363	
3250	391	278	386	920	788	2,180	866	
3225	253	248	310	597	1,247	2,482	864	
	343	436	459	508	1,324	3,096	1,046	
3221	14	44	214	27	68	319	125	
3222	22	28	89	624	237	723	309	
3280	10	21	131	492	341	1,467	445	
3200	108	284	171	448	833	1,129	479	
	$1,413	**$1,430**	**$1,929**	**$ 4,339**	**$ 5,078**	**$11,933**	**$ 4,497**	
3310	$1,409	$1,139	$1,701	$ 2,840	$ 5,452	$13,736	$ 4,521	
3320	107	98	560	2,484	1,818	6,427	2,055	
3340	26	87	126	391	2,495	4,226	1,190	
3300	**$1,542**	**$1,324**	**$2,387**	**$ 5,715**	**$ 9,765**	**$24,389**	**$ 7,766**	
3400	**$ 4**	**$ 12**	**$ 73**	**$ 66**	**$ 310**	**$ 928**	**$ 242**	
3700	**$ 25**	**$ 32**	**$ 8**	**$ 23**	**$ 87**	**$ 4**	**$ 24**	
3600	**$ 20**	**$ 33**	**$ 835**	**$ 34**	**$ 180**	**$ 12**	**$ 198**	
3800	**$ 96**	**$ 399**	**$ 245**	**$ 295**	**$ 2,445**	**$ 1,879**	**$ 783**	
3000	**$3,248**	**$4,223**	**$7,255**	**$13,859**	**$24,387**	**$60,956**	**$ 19,583**	
-----	$ 108	$ 239	$ 321	$ 692	$ 1,175	$ 3,168	$ 983	
-----	514	568	1,028	1,931	3,644	7,930	2,655	
-----	3	1	11	5	66	163	42	
-----	10	6	4	2	42	42	16	
-----	10	0	173	2	83	10	46	
-----	67	277	155	414	318	838	353	
4118	111	302	424	659	1,071	2,018	770	
4120	40	36	16	10	14	80	35	
-----	99	154	318	596	983	2,338	770	
-----	$ 862	$1,583	$2,450	$ 4,311	$ 7,396	$16,587	$ 5,670	
4280	$1,266	$1,008	$1,784	$ 3,096	$ 6,659	$17,518	$ 5,402	
4130	85	184	301	453	773	1,970	648	
4160	46	68	161	254	584	1,330	416	
4153	25	47	87	116	186	729	211	
4170	119	198	311	506	1,089	2,672	837	
4180	37	53	82	173	241	675	219	
4190	18	23	53	95	132	167	80	
4220	20	29	88	57	219	204	97	
-----	77	63	43	130	298	898	262	
4240	38	42	457	166	1	283	190	
-----	76	52	59	25	924	469	220	
4210	34	60	82	103	186	579	182	
4270	13	38	198	245	849	4,914	1,141	
-----	1	6	14	7	10	534	111	
-----	1	9	39	29	26	156	48	
-----	3	7	56	514	731	2,079	590	
-----	248	239	289	708	1,178	3,408	1,054	
-----	**$2,107**	**$2,126**	**$4,104**	**$ 6,677**	**$14,086**	**$38,585**	**$ 11,708**	
4000	**$3,070**	**$3,710**	**$6,551**	**$10,986**	**$21,482**	**$55,172**	**$ 17,377**	
-----	**$ 178**	**$ 514**	**$ 703**	**$ 2,873**	**$ 2,904**	**$ 5,784**	**$ 2,205**	
-----	**$ 19**	**$ 2**	**$ 3**	**$ 305**	**$ (9)**	**$ 1,101**	**$ 278**	
4400	**$ 92**	**$ 141**	**$ 338**	**$ 1,460**	**$ 1,411**	**$ 3,131**	**$ 1,133**	
-----	**$ 105**	**$ 375**	**$ 368**	**$ 1,717**	**$ 1,484**	**$ 3,754**	**$ 1,350**	
-----	31	21	32	31	16	32	163	

Table 2.03

INCOME STATEMENT 1985—AVERAGE FIRM

By Percent of Income Property Loans Closed to Total Loans Closed

0% All Residential	Less than 10%	10% to 25%	25% to 50%	50% to 99%	100% Income Property	Income Statement Account
			(Dollars in Thousands)			
						INCOME:
						Loan Administration
$ 4,203	$ 6,277	$ 9,650	$ 7,495	$ 4,585	$ 612	Servicing Fees, 1st Mtg. Loans
31	40	131	3	0	1	Servicing Fees, Non-1st Mtg. Loans
815	1,049	1,257	1,066	783	52	Other Loan Admin. Income
$ 5,049	**$ 7,366**	**$ 11,038**	**$ 8,564**	**$ 5,368**	**$ 665**	**Loan Administration Income**
						Loan Origination
$ 273	$ 492	$ 264	$ 259	$ 302	$ 1,121	Brokerage Fees
1,236	416	712	901	415	0	Gain or (Loss) on Mtgs. Sold (Gross)
742	1,037	1,940	1,239	322	0	FHA & VA 1% Fees, 1- to 4-unit
952	1,195	1,481	1,226	1,402	0	Conventional Fees, 1- to 4-unit
18	48	213	174	618	52	Multiunit Fees
15	113	395	1,018	875	632	Nonresidential Fees
108	258	664	538	1,715	722	Land Development & Const. Fees
401	329	634	366	1,011	427	All Other Loan Origination Income
$ 3,745	**$ 3,888**	**$ 6,303**	**$ 5,721**	**$ 6,660**	**$ 2,954**	**Loan Origination Income**
						Interest
$ 4,403	$ 5,149	$ 6,754	$ 4,888	$ 4,757	$ 42	Inventory of First Mortgages
654	1,201	2,121	1,831	8,891	3,243	Construction Loans
1,123	357	2,487	362	2,676	139	Other Interest Income
$ 6,180	**$ 6,707**	**$ 11,362**	**$ 7,081**	**$16,324**	**$ 3,424**	**Interest Income**
$ 150	**$ 283**	**$ 849**	**$ 329**	**$ 61**	**$ 0**	**Insurance Commissions**
$ 5	**$ 0**	**$ 78**	**$ 5**	**$ 33**	**$ 123**	**Property Management Income**
$ 0	**$ 4**	**$ 177**	**$ 1,460**	**$ 27**	**$ 317**	**Real Estate Commissions**
$ 723	**$ 627**	**$ 2,182**	**$ 532**	**$ 339**	**$ 322**	**Other Income**
$15,854	**$ 18,875**	**$ 31,990**	**$23,692**	**$28,811**	**$ 7,802**	**TOTAL INCOME**
						EXPENSES:
						Personnel
$ 837	$ 1,156	$ 1,418	$ 1,444	$ 1,027	$ 292	Loan Administration
2,058	3,232	4,741	3,512	2,843	1,008	Loan Origination
7	9	313	31	0	0	Insurance
1	0	41	5	68	46	Property Management
0	8	81	327	4	25	Real Estate
340	267	385	267	549	385	Management
725	871	1,175	1,037	579	184	All Other Personnel
45	4	61	2	4	69	Directors' Fees
556	1,027	1,377	1,169	764	282	Employee Benefits & Expenses
$ 4,569	**$ 6,574**	**$ 9,592**	**$ 7,794**	**$ 5,838**	**$ 2,291**	**Total Personnel Expense**
						Nonpersonnel Expense
$ 4,219	$ 6,434	$ 6,804	$ 4,856	$12,161	$ 570	Interest Expense
543	699	1,151	875	628	205	Occupancy
303	517	858	614	387	85	Electronic Data Processing
152	282	459	322	172	14	Other Equipment Rental
744	1,071	1,431	1,049	654	118	Office Supplies
181	209	369	266	265	128	Travel & Entertainment
58	96	129	135	58	80	Automobile
74	62	231	180	76	19	Advertising
236	607	278	250	143	17	Loan Processing
154	6	40	855	54	207	Brokerage Commissions
250	195	330	215	154	0	Commitment & Auction Fees
148	191	330	220	214	63	Legal & Auditing Fees
874	1,482	2,260	1,907	799	52	Amortization-Purchased Servicing
22	232	33	246	402	6	Real Estate & Property Management
21	39	192	82	27	0	Fees for GNMA Pools
441	174	778	450	1,467	945	Provision for Loan Losses
954	1,103	1,641	1,115	1,288	333	All Other Operating Expense
$ 9,374	**$ 13,399**	**$ 17,314**	**$13,637**	**$18,949**	**$ 2,842**	**Total Nonpersonnel Expense**
$13,942	**$ 19,972**	**$ 26,905**	**$21,433**	**$24,786**	**$ 5,132**	**TOTAL EXPENSES**
$ 1,912	**$ (1,097)**	**$ 5,085**	**$ 2,259**	**$ 4,024**	**$ 2,671**	**Net Operating Income**
$ 101	**$ 815**	**$ 41**	**$ 435**	**$ 748**	**$ 8**	**Net Nonrecurring Gain (Loss)**
$ 808	**$ 278**	**$ 2,154**	**$ 1,302**	**$ 2,276**	**$ 1,310**	**Taxes on Income**
$ 1,205	**$ (560)**	**$ 2,971**	**$ 1,392**	**$ 2,496**	**$ 1,369**	**NET INCOME**
79	20	18	17	17	12	Number of Firms Reporting

INCOME STATEMENT 1985—AVERAGE FIRM

Table 2.04

By Percent of Income Property Loans Serviced to Total Loans Serviced

	0% All Residential	Less than 5%	5% to 15%	15% to 30%	30% to 90%	90% to 100%	All Reporting Firms	Your Firm
				(Dollars in Thousands)				
	$ 2,440	$ 8,357	$ 7,623	$ 7,975	$ 4,998	$ 585	$ 5,178	
	43	11	5	38	117	1	35	
	410	1,501	1,410	1,013	847	46	859	
	$ 2,893	**$ 9,869**	**$ 9,038**	**$ 9,026**	**$ 5,962**	**$ 632**	**$ 6,072**	
	$ 259	$ 432	$ 203	$ 428	$ 849	$ 160	$ 363	
	646	2,509	639	618	403	132	866	
	669	1,199	1,375	1,211	526	0	864	
	861	1,383	1,120	1,452	1,374	10	1,046	
	11	59	101	233	324	222	125	
	1	0	394	535	876	586	309	
	9	299	316	1,005	1,577	95	445	
	257	633	504	253	987	531	479	
	$ 2,713	**$ 6,514**	**$ 4,652**	**$ 5,735**	**$ 6,916**	**$ 1,736**	**$ 4,497**	
	$ 3,306	$ 7,308	$ 5,601	$ 5,730	$ 4,205	$ 620	$ 4,521	
	96	1,161	1,920	4,506	7,116	222	2,055	
	415	1,204	2,928	2,205	510	25	1,190	
	$ 3,817	**$ 9,673**	**$10,499**	**$12,441**	**$11,831**	**$ 867**	**$ 7,766**	
	$ 49	**$ 334**	**$ 825**	**$ 167**	**$ 59**	**$ 0**	**$ 242**	
	$ 1	**$ 2**	**$ 54**	**$ 4**	**$ 28**	**$ 98**	**$ 24**	
	$ 0	**$ 3**	**$ 114**	**$ 1,122**	**$ 29**	**$ 223**	**$ 198**	
	$ 917	**$ 280**	**$ 1,567**	**$ 1,124**	**$ 194**	**$ 155**	**$ 783**	
	$10,390	**$26,675**	**$26,700**	**$29,618**	**$25,017**	**$ 3,709**	**$ 19,583**	
	$ 459	$ 1,624	$ 1,248	$ 1,446	$ 1,248	$ 132	$ 983	
	1,570	3,571	3,593	3,829	3,140	688	2,655	
	1	16	213	19	0	0	42	
	0	1	29	48	5	37	16	
	0	6	52	253	3	18	46	
	332	407	372	308	588	84	353	
	745	739	1,003	1,133	681	142	770	
	29	72	47	2	5	49	35	
	342	1,112	1,171	1,239	778	184	770	
	$ 3,478	**$ 7,548**	**$ 7,728**	**$ 8,277**	**$ 6,448**	**$ 1,334**	**$ 5,670**	
	$ 2,766	$ 7,315	$ 7,017	$ 8,757	$ 7,384	$ 631	$ 5,402	
	429	846	847	960	761	96	648	
	273	364	494	928	480	40	416	
	109	251	324	355	268	4	211	
	583	1,275	1,121	1,153	779	62	837	
	130	301	267	274	320	76	219	
	50	87	124	118	82	34	80	
	67	79	171	172	86	8	97	
	158	396	283	584	163	9	262	
	80	268	19	710	163	19	190	
	304	136	199	288	261	9	220	
	107	248	232	259	240	40	182	
	339	2,569	1,015	2,416	875	55	1,141	
	12	34	160	332	235	6	111	
	19	25	84	134	44	0	48	
	87	1,115	491	965	1,307	45	590	
	591	1,784	1,408	1,276	1,172	220	1,054	
	$ 6,104	**$17,093**	**$14,256**	**$19,681**	**$14,620**	**$ 1,354**	**$ 11,708**	
	$ 9,584	**$24,641**	**$21,985**	**$27,957**	**$21,066**	**$ 2,686**	**$ 17,377**	
	$ 806	**$ 2,035**	**$ 4,716**	**$ 1,661**	**$ 3,952**	**$ 1,024**	**$ 2,205**	
	$ 144	**$ 46**	**$ 43**	**$ 838**	**$ 863**	**$ 3**	**$ 278**	
	$ 303	**$ 1,312**	**$ 1,971**	**$ 1,217**	**$ 2,189**	**$ 508**	**$ 1,133**	
	$ 647	**$ 768**	**$ 2,788**	**$ 1,282**	**$ 2,625**	**$ 519**	**$ 1,350**	
	49	27	28	22	20	17	163	

Table 2.05 **INCOME STATEMENT 1985—AVERAGE FIRM**

By Type of Ownership

Bank Holding Company Controlled	Service Corp. for S&L	Privately Held	All Other	All Reporting Firms	Your Firm	Income Statement Account
(Dollars in Thousands)						
						INCOME:
						Loan Administration
$ 7,069	$ 7,507	$ 1,804	$ 5,433	$ 5,178	_____	Servicing Fees, 1st Mtg. Loans
15	12	4	140	35	_____	Servicing Fees, Non-1st Mtg. Loans
1,172	1,082	291	986	859	_____	Other Loan Admin. Income
$ 8,256	**$ 8,601**	**$ 2,099**	**$ 6,559**	**$ 6,072**	_____	**Loan Administration Income**
						Loan Origination
$ 456	$ 564	$ 316	$ 148	$ 363	_____	Brokerage Fees
792	1,796	383	1,420	866	_____	Gain or (Loss) on Mtgs. Sold (Gross)
1,054	1,051	377	1,148	864	_____	FHA & VA 1% Fees, 1- to 4-unit
1,330	1,270	332	1,471	1,046	_____	Conventional Fees, 1- to 4-unit
199	45	81	62	125	_____	Multiunit Fees
396	375	226	223	309	_____	Nonresidential Fees
874	119	77	224	445	_____	Land Development & Const. Fees
483	471	260	830	479	_____	All Other Loan Origination Income
$ 5,584	**$ 5,691**	**$ 2,052**	**$ 5,526**	**$ 4,497**	_____	**Loan Origination Income**
						Interest
$ 5,811	$ 3,737	$ 1,432	$ 6,958	$ 4,521	_____	Inventory of First Mortgages
4,327	574	330	403	2,055	_____	Construction Loans
2,382	123	213	560	1,190	_____	Other Interest Income
$12,520	**$ 4,434**	**$ 1,975**	**$ 7,921**	**$ 7,766**	_____	**Interest Income**
$ 325	**$ 388**	**$ 128**	**$ 178**	**$ 242**	_____	**Insurance Commissions**
$ 9	**$ 0**	**$ 66**	**$ 0**	**$ 24**	_____	**Property Management Income**
$ 0	**$ 29**	**$ 637**	**$ 2**	**$ 198**	_____	**Real Estate Commissions**
$ 467	**$ 1,275**	**$ 434**	**$ 1,842**	**$ 783**	_____	**Other Income**
$27,161	**$20,418**	**$ 7,390**	**$22,029**	**$19,583**	_____	**TOTAL INCOME**
						EXPENSES:
						Personnel
$ 1,276	$ 1,396	$ 346	$ 1,188	$ 983	_____	Loan Administration
3,387	3,209	1,168	3,189	2,655	_____	Loan Origination
26	132	32	57	42	_____	Insurance
20	0	25	0	16	_____	Property Management
1	28	139	5	46	_____	Real Estate
443	323	192	427	353	_____	Management
904	1,128	360	983	770	_____	All Other Personnel
8	16	40	91	35	_____	Directors' Fees
1,020	1,136	356	727	770	_____	Employee Benefits & Expense
$ 7,085	**$ 7,368**	**$ 2,658**	**$ 6,667**	**$ 5,670**	_____	**Total Personnel Expense**
						Nonpersonnel Expense
$ 8,460	$ 3,193	$ 1,492	$ 5,830	$ 5,402	_____	Interest Expense
786	1,031	274	781	648	_____	Occupancy
534	712	138	475	416	_____	Electronic Data Processing
293	310	68	220	211	_____	Other Equipment Rental
1,036	1,083	341	1,086	837	_____	Office Supplies
289	238	89	267	219	_____	Travel & Entertainment
91	147	51	76	80	_____	Automobile
103	121	84	96	97	_____	Advertising
321	456	58	376	262	_____	Loan Processing
60	357	323	192	190	_____	Brokerage Commissions
158	403	106	466	220	_____	Commitment & Auction Fees
205	345	88	212	182	_____	Legal & Auditing Fees
1,502	994	526	1,392	1,141	_____	Amortization-Purchased Servicing
243	12	8	25	111	_____	Real Estate & Property Management
56	132	22	35	48	_____	Fees for GNMA Pools
1,093	719	68	259	590	_____	Provision for Loan Losses
1,374	700	459	1,449	1,054	_____	All Other Operating Expense
$16,604	**$10,953**	**$ 4,195**	**$13,237**	**$11,708**	_____	**Total Nonpersonnel Expense**
$23,692	**$18,320**	**$ 6,852**	**$19,904**	**$17,377**	_____	**TOTAL EXPENSES**
$ 3,469	**$ 2,098**	**$ 539**	**$ 2,125**	**$ 2,205**	_____	**Net Operating Income**
$ 586	**$ (1)**	**$ 51**	**$ 74**	**$ 278**	_____	**Net Nonrecurring Gain (Loss)**
$ 1,952	**$ 366**	**$ 389**	**$ 832**	**$ 1,133**	_____	**Taxes on Income**
$ 2,104	**$ 1,732**	**$ 200**	**$ 1,367**	**$ 1,350**	_____	**NET INCOME**
69	13	50	31	163	_____	Number of Firms Reporting

COMPARATIVE BALANCE SHEET—1985

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Table 3.01

COMPARATIVE BALANCE SHEET—1985

By Millions of Dollars of Mortgage Loans Closed

Under $20	$20 to $50	$50 to $100	$100 to $200	$200 to $350	Over $350	Income Statement Account
11.6%	3.6%	2.7%	1.6%	1.2%	1.2%	Cash (Except Escrows & Other Fiduciary Funds)
2.9	0.9	1.2	0.9	7.4	0.9	Other Marketable Securities, At Cost
7.9	6.4	5.6	4.4	3.9	5.5	Receivables
						Inventory:
47.8	58.6	56.5	44.7	39.7	39.7	First Mortgages, Principal Balances
(0.7)	(0.7)	(0.7)	(0.8)	(1.1)	(0.5)	Premium (Discount)
47.1	57.9	55.8	43.8	38.7	39.2	First Mortgages, At Cost
1.8	0.0	0.2	1.2	1.4	1.6	Land Loans, Disbursed
4.5	9.5	16.2	25.8	14.1	21.8	Construction Loans, Disbursed
0.0	0.0	0.0	0.0	0.0	0.4	Home Improvement Loans
0.3	0.3	0.1	5.9	0.4	7.0	Other Loans in Inventory
53.7	67.7	72.3	76.8	54.5	70.0	Total Inventory
4.9	4.6	3.7	2.0	7.4	2.1	Other Current Assets
81.0%	**83.2%**	**85.5%**	**85.7%**	**74.4%**	**79.7%**	**Current Assets**
3.0%	0.3%	0.2%	0.2%	0.2%	0.2%	FNMA Stock, At Cost
9.6	8.0	2.7	2.7	1.4	2.0	Property, Equip., & Leasehold Improvements
(2.4)	(2.7)	(0.7)	(0.9)	(0.5)	(0.5)	Accumulated Depreciation
0.0	0.0	0.1	0.0	0.1	0.4	Land Held for Development
0.0	0.0	0.1	2.4	0.1	0.6	Noninterest Earning Loans
3.8	0.8	1.1	2.4	0.9	1.7	Real Estate Owned Through Foreclosure
5.1	10.5	11.2	7.5	23.4	16.0	Other Noncurrent Assets
19.0%	**16.8%**	**14.5%**	**14.3%**	**25.6%**	**20.3%**	**Noncurrent Assets**
100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**TOTAL ASSETS**
41.8%	14.4%	34.1%	62.0%	46.7%	56.7%	Commercial Paper
10.8	53.5	21.2	18.4	20.8	18.1	Notes Payable to Banks
4.5	1.6	14.8	0.0	1.1	1.6	Notes Payable to Others
1.9	4.1	2.0	2.5	2.0	1.6	Accounts Payable
7.5	3.5	4.0	3.8	8.7	4.0	Other Current Liabilities
66.5%	**77.1%**	**76.1%**	**86.7%**	**79.3%**	**82.0%**	**Current Liabilities**
2.4%	**5.5%**	**12.2%**	**1.4%**	**12.2%**	**4.9%**	**Noncurrent Liabilities**
0.2%	(0.1)%	0.7%	0.1%	0.0%	0.0%	Preferred Stock
14.6	2.1	2.0	0.8	0.3	0.2	Common Stock
0.4	11.3	4.1	6.5	4.4	4.3	Retained Earnings
15.7	4.1	4.9	4.5	3.7	8.6	Paid in Surplus
31.1%	**17.4%**	**11.7%**	**11.9%**	**8.5%**	**13.1%**	**Stockholders' Equity**
100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**TOTAL LIABILITIES & EQUITY**
12	25	26	32	23	45	Number of Firms Reporting

COMPARATIVE BALANCE SHEET—1985

Table 3.02

By Millions of Dollars of Mortgage Loans Serviced

MBA Chart of Accounts Account Number	Under $125	$125 to $350	$350 to $700	$700 to $1,500	$1,500 to $2,500	$2,500 or More	All Reporting Firms	Your Firm
1110	2.1%	4.8%	1.2%	1.0%	1.7%	1.2%	1.3%	
1200	26.6	1.4	0.6	2.1	1.6	0.5	2.0	
1300	2.4	5.3	5.0	4.9	4.0	5.6	5.1	
1410	58.1	66.1	45.0	32.7	48.5	39.2	41.0	
1420	(0.9)	(1.8)	(1.5)	(0.6)	(0.6)	(0.5)	(0.6)	
-----	57.2	64.3	43.5	32.1	47.9	38.7	40.4	
-----	4.1	0.0	0.7	1.8	0.6	1.5	1.5	
1510	3.6	5.7	17.1	44.9	11.8	18.6	20.5	
-----	0.0	0.0	0.0	0.1	0.0	0.4	0.3	
1530	0.1	1.9	13.9	0.8	2.6	6.6	5.5	
-----	65.0	71.9	75.2	79.7	62.9	65.8	68.2	
-----	1.6	4.8	5.2	1.2	4.4	3.0	3.0	
-----	**97.7%**	**88.2%**	**87.2%**	**88.9%**	**74.6%**	**76.1%**	**79.6%**	
1730 - 2	0.1%	0.2%	0.2%	0.1%	0.2%	0.2%	0.2%	
1810	1.2	5.0	2.9	1.4	2.0	2.2	2.1	
1820	(0.3)	(1.3)	(1.1)	(0.5)	(0.7)	(0.5)	(0.6)	
-----	0.0	0.2	0.2	0.3	0.2	0.3	0.3	
-----	0.0	0.0	0.1	0.5	1.8	0.6	0.6	
1610	0.4	0.9	0.9	2.1	1.8	1.6	1.6	
-----	1.0	6.7	9.7	7.3	19.9	19.5	16.2	
-----	**2.3%**	**11.8%**	**12.8%**	**11.1%**	**25.4%**	**23.9%**	**20.4%**	
1000	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	
2150	17.6%	21.3%	41.7%	61.1%	64.9%	55.3%	54.2%	
2110	16.5	52.4	32.6	17.7	15.7	18.0	19.1	
2130	13.1	0.6	1.4	0.0	1.0	1.6	1.8	
2210	2.1	2.3	2.1	1.9	3.1	1.4	1.8	
-----	12.6	8.5	3.1	2.4	2.7	5.2	4.7	
-----	**61.9%**	**85.1%**	**80.9%**	**83.1%**	**87.4%**	**81.5%**	**81.6%**	
-----	**32.9%**	**2.2%**	**9.4%**	**4.1%**	**1.6%**	**5.3%**	**6.1%**	
2710	0.1%	1.0%	0.1%	0.0%	0.0%	0.0%	0.0%	
2720	2.0	1.1	1.0	0.6	0.5	0.1	0.4	
2740	0.9	7.9	4.5	8.0	6.2	3.7	4.6	
2730	2.2	2.9	4.2	4.3	4.3	9.3	7.3	
2700	**5.2%**	**12.7%**	**9.7%**	**12.8%**	**11.0%**	**13.2%**	**12.3%**	
-----	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	
-----	31	21	32	31	16	32	163	

Table 3.03

COMPARATIVE BALANCE SHEET—1985

By Percent of Income Property Loans Closed to Total Loans Closed

0% All Residential	Less than 10%	10% to 25%	25% to 50%	50% to 99%	100% Income Property	Income Statement Account
1.2%	1.2%	2.5%	1.1%	0.8%	0.8%	Cash (Except Escrows & Other Fiduciary Funds)
3.3	0.4	1.8	0.0	0.6	4.4	Other Marketable Securities, At Cost
5.5	4.8	6.3	6.2	3.5	2.1	Receivables
						Inventory:
51.2	50.2	44.0	54.9	13.2	0.5	First Mortgages, Principal Balances
(0.9)	(0.6)	(0.5)	(1.3)	(0.1)	0.0	Premium (Discount)
50.3	49.6	43.6	53.6	13.0	0.5	First Mortgages, At Cost
0.6	1.5	2.4	1.3	2.8	0.9	Land Loans, Disbursed
7.9	9.4	11.3	11.7	51.0	84.5	Construction Loans, Disbursed
0.7	0.0	0.0	0.0	0.0	0.0	Home Improvement Loans
1.3	0.2	4.3	1.5	22.1	1.5	Other Loans in Inventory
60.8	60.7	61.5	68.1	89.0	87.4	Total Inventory
2.7	9.2	0.6	6.7	1.0	0.4	Other Current Assets
73.5%	**76.3%**	**72.7%**	**82.1%**	**94.9%**	**95.1%**	**Current Assets**
0.2%	0.2%	0.2%	0.3%	0.1%	0.0%	FNMA Stock, At Cost
2.2	3.5	2.4	2.3	0.8	0.9	Property, Equip., & Leasehold Improvements
(0.6)	(0.7)	(0.6)	(0.8)	(0.3)	(0.3)	Accumulated Depreciation
0.1	0.3	1.2	0.1	0.0	0.0	Land Held for Development
0.5	2.2	0.6	0.5	0.0	0.8	Noninterest Earning Loans
1.7	2.2	1.2	1.1	1.1	3.2	Real Estate Owned Through Foreclosure
22.1	15.9	22.3	14.6	3.4	0.3	Other Noncurrent Assets
26.5%	**23.7%**	**27.3%**	**17.9%**	**5.1%**	**4.9%**	**Noncurrent Assets**
100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**TOTAL ASSETS**
46.3%	59.8%	38.5%	46.6%	80.9%	78.8%	Commercial Paper
24.5	16.5	21.2	31.0	4.5	2.3	Notes Payable to Banks
2.8	2.3	0.4	0.6	2.0	0.0	Notes Payable to Others
1.9	2.4	2.3	1.8	0.9	0.4	Accounts Payable
6.0	2.0	8.3	4.6	1.6	(0.1)	Other Current Liabilities
81.5%	**83.0%**	**70.7%**	**84.6%**	**89.9%**	**81.4%**	**Current Liabilities**
7.5%	**7.0%**	**9.0%**	**1.0%**	**3.7%**	**2.6%**	**Noncurrent Liabilities**
0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	Preferred Stock
0.4	0.3	0.4	0.8	0.1	0.4	Common Stock
4.2	2.3	6.0	4.9	4.1	8.3	Retained Earnings
6.3	7.5	13.8	8.7	2.1	7.4	Paid in Surplus
11.0%	**10.0%**	**20.3%**	**14.4%**	**6.4%**	**16.0%**	**Stockholders' Equity**
100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**TOTAL LIABILITIES & EQUITY**
79	20	18	17	17	12	Number of Firms Reporting

COMPARATIVE BALANCE SHEET—1985

Table 3.04

By Percent of Income Property Loans Serviced to Total Loans Serviced

	0% All Residential	Less than 5%	5% to 15%	15% to 30%	30% to 90%	90% to 100%	All Reporting Firms	Your Firm
	1.9%	0.8%	1.5%	1.4%	1.2%	2.9%	1.3%	
	8.1	0.9	1.1	0.1	1.6	2.3	2.0	
	4.0	6.8	5.0	5.6	3.7	2.7	5.1	
	62.3	47.3	45.4	31.8	26.2	0.5	41.0	
	(0.9)	(0.8)	(0.6)	(0.6)	(0.3)	0.0	(0.6)	
	61.5	46.4	44.8	31.2	25.8	0.5	40.4	
	1.2	0.4	2.3	1.1	2.7	2.9	1.5	
	1.7	8.6	15.0	21.1	55.3	13.0	20.5	
	0.0	1.2	0.0	0.0	0.0	0.0	0.3	
	0.2	2.0	1.8	16.0	1.0	62.4	5.5	
	64.5	58.7	63.9	69.4	84.9	78.8	68.2	
	3.4	3.8	3.8	2.9	1.0	4.6	3.0	
	81.9%	**71.0%**	**75.3%**	**79.4%**	**92.4%**	**91.3%**	**79.6%**	
	0.1%	0.2%	0.3%	0.2%	0.1%	0.0%	0.2%	
	2.3	2.7	2.2	1.9	1.2	1.7	2.1	
	(0.7)	(0.5)	(0.8)	(0.5)	(0.4)	(0.6)	(0.6)	
	0.0	0.3	1.0	0.1	0.0	0.0	0.3	
	0.0	1.0	1.5	0.3	0.3	0.4	0.6	
	0.6	2.4	1.2	1.7	1.6	0.2	1.6	
	15.5	23.0	19.4	17.0	4.8	7.1	16.2	
	18.1%	**29.0%**	**24.7%**	**20.6%**	**7.6%**	**8.7%**	**20.4%**	
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	
	29.7%	52.4%	63.2%	50.7%	73.9%	1.4%	54.2%	
	26.9	24.6	6.6	25.0	9.1	64.3	19.1	
	5.9	1.1	0.4	1.1	1.9	0.2	1.8	
	3.1	1.3	2.5	1.3	0.9	2.5	1.8	
	10.7	3.2	6.4	3.9	1.4	5.9	4.7	
	76.3%	**82.6%**	**79.1%**	**82.0%**	**87.2%**	**74.3%**	**81.6%**	
	14.0%	**6.2%**	**8.3%**	**0.6%**	**4.2%**	**7.1%**	**6.1%**	
	0.1%	0.0%	0.0%	0.0%	0.0%	(0.1)%	0.0%	
	1.0	0.1	0.6	0.3	0.2	1.3	0.4	
	3.9	2.6	8.5	3.5	4.2	12.9	4.6	
	4.6	8.5	3.5	13.5	4.2	4.7	7.3	
	9.7%	**11.2%**	**12.6%**	**17.4%**	**8.6%**	**18.6%**	**12.3%**	
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	
	49	27	28	22	20	17	163	

Table 3.05

COMPARATIVE BALANCE SHEET—1985

By Type of Ownership

Bank Holding Company Controlled	Service Corp. for S&L	Privately Held	All Other	All Reporting Firms	Your Firm	Income Statement Account
1.2%	1.6%	1.9%	1.5%	1.3%		Cash (Except Escrows & Other Fiduciary Funds)
0.9	1.2	1.3	5.5	2.0		Other Marketable Securities, At Cost
5.1	7.5	5.4	4.4	5.1		Receivables
						Inventory:
32.7	53.9	43.8	60.8	41.0		First Mortgages, Principal Balances
(0.5)	(1.1)	(1.3)	(0.7)	(0.6)		Premium (Discount)
32.2	52.8	42.5	60.2	40.4		First Mortgages, At Cost
2.0	0.0	0.4	1.0	1.5		Land Loans, Disbursed
29.6	6.4	7.0	3.3	20.5		Construction Loans, Disbursed
0.4	0.3	0.0	0.0	0.3		Home Improvement Loans
7.0	0.5	10.5	0.2	5.5		Other Loans in Inventory
71.2	60.0	60.4	64.6	68.2		Total Inventory
2.6	1.9	4.0	4.3	3.0		Other Current Assets
81.0%	**72.2%**	**73.0%**	**80.3%**	**79.6%**		**Current Assets**
0.2%	0.4%	0.3%	0.1%	0.2%		FNMA Stock, At Cost
1.8	2.6	4.4	1.9	2.1		Property, Equip., & Leasehold Improvements
(0.5)	(0.7)	(1.0)	(0.5)	(0.6)		Accumulated Depreciation
0.0	3.7	0.2	0.2	0.3		Land Held for Development
0.9	0.0	0.1	0.3	0.6		Noninterest Earning Loans
1.9	1.4	0.8	1.1	1.6		Real Estate Owned Through Foreclosure
14.9	20.4	22.4	16.6	16.2		Other Noncurrent Assets
19.0%	**27.8%**	**27.0%**	**19.7%**	**20.4%**		**Noncurrent Assets**
100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**		**TOTAL ASSETS**
70.3%	34.6%	10.8%	30.3%	54.2%		Commercial Paper
8.2	26.3	46.7	37.7	19.1		Notes Payable to Banks
0.8	1.0	3.8	4.0	1.8		Notes Payable to Others
1.2	3.2	3.8	2.1	1.8		Accounts Payable
3.4	17.0	4.2	5.8	4.7		Other Current Liabilities
83.9%	**82.1%**	**69.3%**	**79.9%**	**81.6%**		**Current Liabilities**
3.4%	**5.5%**	**17.1%**	**9.5%**	**6.1%**		**Noncurrent Liabilities**
0.0%	(0.1)%	0.1%	0.1%	0.0%		Preferred Stock
0.4	1.0	0.5	0.3	0.4		Common Stock
4.5	5.9	7.5	3.3	4.6		Retained Earnings
7.8	5.6	5.5	7.0	7.3		Paid in Surplus
12.7%	**12.4%**	**13.6%**	**10.6%**	**12.3%**		**Stockholders' Equity**
100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**		**TOTAL LIABILITIES & EQUITY**
69	13	50	31	163		Number of Firms Reporting

BALANCE SHEET 1985—AVERAGE FIRM

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Table 4.01

BALANCE SHEET 1985—AVERAGE FIRM

By Millions of Dollars of Mortgage Loans Closed

Under $20	$20 to $50	$50 to $100	$100 to $200	$200 to $350	Over $350	Balance Sheet Account
			(Dollars in Thousands)			
$ 248	$ 347	$ 623	$ 764	$ 1,542	$ 3,267	Cash (Except Escrows & Other Fiduciary Funds
62	82	271	431	9,411	2,396	Other Marketable Securities, At Cost
169	613	1,311	2,081	4,918	15,091	Receivables
						Inventory:
1,022	5,630	13,131	21,298	50,226	110,002	First Mortgages, Principal Balances
(15)	(67)	(153)	(403)	(1,347)	(1,413)	Premium (Discount)
1,007	5,563	12,978	20,894	48,878	108,589	First Mortgages, At Cost
38	0	36	589	1,778	4,564	Land Loans, Disbursed
97	911	3,756	12,295	17,756	60,400	Construction Loans, Disbursed
0	0	0	0	0	1,106	Home Improvement Loans
6	30	13	2,802	485	19,327	Other Loans in Inventory
1,148	6,504	16,783	36,581	68,898	193,986	Total Inventory
104	442	869	934	9,289	5,785	Other Current Assets
$ 1,731	**$ 7,988**	**$ 19,857**	**$ 40,791**	**$ 94,058**	**$ 220,525**	**Current Assets**
$ 64	$ 25	$ 42	$ 92	$ 260	$ 422	FNMA Stock, At Cost
204	766	618	1,310	1,776	5,582	Property, Equip., & Leasehold Improvements
(52)	(261)	(173)	(431)	(604)	(1,370)	Accumulated Depreciation
0	0	15	14	89	1,044	Land Held for Development
0	0	21	1,151	104	1,661	Noninterest Earning Loans
81	77	261	1,156	1,087	4,623	Real Estate Owned Through Foreclosure
108	1,011	2,602	3,597	29,594	44,355	Other Noncurrent Assets
$ 405	**$ 1,619**	**$ 3,386**	**$ 6,887**	**$ 32,306**	**$ 56,316**	**Noncurrent Assets**
$ 2,136	**$ 9,607**	**$ 23,243**	**$ 47,678**	**$ 126,364**	**$ 276,841**	**TOTAL ASSETS**
$ 892	$ 1,380	$ 7,920	$ 29,559	$ 59,055	$ 157,804	Commercial Paper
231	5,144	4,931	8,784	26,294	50,088	Notes Payable to Banks
97	157	3,436	5	1,440	4,311	Notes Payable to Others
41	398	470	1,192	2,540	4,302	Accounts Payable
161	322	933	1,806	11,005	11,036	Other Current Liabilities
$ 1,422	**$ 7,411**	**$ 17,690**	**$ 41,346**	**$ 100,334**	**$ 226,821**	**Current Liabilities**
$ 51	**$ 524**	**$ 2,830**	**$ 665**	**$ 15,450**	**$ 13,650**	**Noncurrent Liabilities**
$ 5	$ (10)	$ 155	$ 28	$ 10	$ 3	Preferred Stock
312	203	469	400	323	667	Common Stock
9	1,086	951	3,106	5,589	11,805	Retained Earnings
336	393	1,149	2,134	4,657	23,896	Paid in Surplus
$ 663	**$ 1,672**	**$ 2,723**	**$ 5,667**	**$ 10,580**	**$ 36,370**	**Stockholders' Equity**
$ 2,136	**$ 9,607**	**$ 23,243**	**$ 47,678**	**$ 126,364**	**$ 276,841**	**TOTAL LIABILITIES & EQUITY**
						MEMORANDA
$91,170	$238,377	$407,789	$ 750,750	$1,829,528	$4,194,819	Total Servicing Portfolio
208	1,975	2,719	7,237	17,854	37,939	Servicing Escrow
7	39	826	3,309	960	12,407	Other Escrows & Fiduciary Funds
5,313	25,484	65,047	114,128	193,952	497,452	1- to 4-unit Mortgage Loans Closed
2,788	7,879	5,998	30,264	65,068	191,557	Income Property Loans Closed
$ 8,101	**$ 33,363**	**$ 71,045**	**$ 144,392**	**$ 259,020**	**$ 689,010**	**Total Mortgage Loans Closed**
			(Number of Loans)			
						Number of Loans Serviced
2,607	5,757	9,459	16,109	36,340	87,932	1- to 4-unit Mortgage Loans
102	42	115	139	439	732	Income Property Loans
						Number of Loans Closed
240	401	964	1,774	2,784	7,200	1- to 4-unit Mortgage Loans
3	7	7	13	23	58	Income Property Loans
12	25	26	32	23	45	Number of Firms Reporting

BALANCE SHEET—1985

By Millions of Dollars of Mortgage Loans Serviced

Table 4.02

MBA Chart of Accounts Account Number	Under $125	$125 to $350	$350 to $700	$700 to $1,500	$1,500 to $2,500	$2,500 or More	All Reporting Firms	Your Firm
				(Dollars in Thousands)				
1100	$ 510	$ 658	$ 438	$ 798	$ 2,186	$ 4,108	$ 1,440	
1200	6,541	196	202	1,628	2,050	1,603	2,134	
1300	588	725	1,776	3,887	5,124	19,297	5,584	
1410	14,311	9,009	16,121	25,960	62,157	135,414	44,670	
1420	(218)	(243)	(525)	(511)	(774)	(1,763)	(695)	
-----	14,094	8,766	15,596	25,449	61,383	133,651	43,975	
-----	1,008	0	267	1,413	734	5,349	1,635	
1510	896	776	6,121	35,608	15,178	64,211	22,340	
-----	0	0	0	88	0	1,469	305	
1530	19	260	4,970	609	3,363	22,934	5,961	
	16,016	9,802	26,954	63,167	80,658	227,614	74,216	
	385	653	1,849	926	5,653	10,461	3,305	
	$ 24,040	**$ 12,034**	**$ 31,219**	**$ 70,406**	**$ 95,671**	**$ 263,083**	**$ 86,679**	
1730 + 2	$ 22	$ 25	$ 65	$ 91	$ 268	$ 624	$ 186	
1810	297	685	1,045	1,122	2,551	7,468	2,280	
1820	(72)	(181)	(400)	(384)	(834)	(1,779)	(619)	
-----	6	26	68	220	316	1,098	306	
-----	7	1	35	425	2,331	1,958	702	
1610	91	120	307	1,641	2,326	5,514	1,716	
-----	243	914	3,475	5,772	25,520	67,525	17,705	
-----	**$ 594**	**$ 1,591**	**$ 4,594**	**$ 8,889**	**$ 32,477**	**$ 82,409**	**$ 22,278**	
1000	**$ 24,634**	**$ 13,625**	**$ 35,813**	**$ 79,295**	**$ 128,148**	**$ 345,492**	**$ 108,957**	
2150	$ 4,326	$ 2,900	$ 14,926	$ 48,463	$ 83,155	$ 191,206	$ 59,043	
2110	4,071	7,139	11,669	14,017	20,171	62,268	20,855	
2130	3,233	76	497	25	1,325	5,688	1,974	
2210	529	310	752	1,501	3,951	4,878	1,919	
-----	3,102	1,155	1,118	1,869	3,439	17,901	5,166	
-----	**$ 15,261**	**$ 11,580**	**$ 28,962**	**$ 65,875**	**$ 112,041**	**$ 281,941**	**$ 88,957**	
-----	**$ 8,105**	**$ 296**	**$ 3,359**	**$ 3,233**	**$ 1,997**	**$ 18,157**	**$ 6,614**	
2710	$ 19	$ 133	$ 24	$ 27	$ (40)	$ 23	$ 31	
2720	486	150	369	446	686	512	437	
2740	217	1,072	1,587	6,338	7,941	12,736	4,976	
2730	545	395	1,511	3,376	5,522	32,123	7,941	
2700	**$ 1,268**	**$ 1,749**	**$ 3,492**	**$ 10,187**	**$ 14,110**	**$ 45,394**	**$ 13,386**	
	$ 24,634	**$ 13,625**	**$ 35,813**	**$ 79,295**	**$ 128,148**	**$ 345,492**	**$ 108,957**	
	$ 45,573	$ 225,592	$ 505,309	$1,014,171	$1,938,324	$5,867,294	$1,671,939	
	296	1,233	4,285	7,236	16,719	56,501	141,572	
	26	4,485	794	17,929	118	961	14,364	
	46,753	63,728	86,781	149,923	310,428	553,480	201,782	
	5,656	4,590	41,221	116,018	69,030	161,862	70,377	
	$ 52,410	**$ 68,319**	**$ 128,002**	**$ 265,941**	**$ 379,458**	**$ 715,342**	**$ 272,159**	
				(Number of Loans)				
	634	4,210	10,094	17,645	40,745	128,108	35,150	
	18	26	153	396	185	984	323	
	713	977	1,330	2,238	4,432	8,040	2,962	
	7	2	26	32	17	48	24	
	31	21	32	31	16	32	163	

Table 4.03

BALANCE SHEET—1985 AVERAGE FIRM

By Percent of Income Property Loans Closed to Total Loans Closed

0% All Residential	Less Than 10%	10% to 25%	25% to 50%	50% to 99%	100% Income Property	Balance Sheet Account
			(Dollars in Thousands)			
$ 1,060	$ 1,150	$ 4,239	$ 1,236	$ 1,427	$ 543	Cash (Except Escrows & Other Fiduciary Funds)
2,864	390	3,118	0	1,157	3,170	Other Marketable Securities, At Cost
4,743	4,595	10,754	7,160	6,479	1,518	Receivables
						Inventory:
43,877	47,750	75,438	63,529	24,563	373	First Mortgages, Principal Balances
(740)	(563)	(795)	(1,487)	(237)	0	Premium (Discount)
43,138	47,187	74,643	62,042	24,326	373	First Mortgages, At Cost
540	1,397	4,187	1,461	5,200	609	Land Loans, Disbursed
6,784	8,990	19,434	13,541	95,279	60,491	Construction Loans, Disbursed
630	0	0	0	0	0	Home Improvement Loans
1,140	236	7,367	1,788	41,213	1,104	Other Loans in Inventory
52,231	57,810	105,631	78,832	166,018	62,577	Total Inventory
2,274	8,789	994	7,712	1,801	308	Other Current Assets
$ 63,172	**$ 72,734**	**$ 124,736**	**$ 94,940**	**$ 176,882**	**$ 68,116**	**Current Assets**
$ 145	$ 159	$ 392	$ 373	$ 142	$ 0	FNMA Stock, At Cost
1,926	3,330	4,094	2,661	1,547	633	Property, Equip., & Leasehold Improvements
(502)	(699)	(1,055)	(957)	(555)	(218)	Accumulated Depreciation
93	252	1,971	121	0	0	Land Held for Development
455	2,124	1,029	559	84	552	Noninterest Earning Loans
1,471	2,122	2,016	1,246	2,126	2,284	Real Estate Owned Through Foreclosure
18,951	15,157	38,135	16,877	6,440	239	Other Noncurrent Assets
$ 22,539	**$ 22,446**	**$ 46,580**	**$ 20,879**	**$ 9,786**	**$ 3,491**	**Noncurrent Assets**
$ 85,711	**$ 95,180**	**$ 171,316**	**$ 115,819**	**$ 186,668**	**$ 71,607**	**TOTAL ASSETS**
$ 39,705	$ 56,887	$ 65,991	$ 53,958	$ 151,029	$ 56,416	Commercial Paper
21,025	15,681	36,271	35,856	8,410	1,620	Notes Payable to Banks
2,391	2,184	729	651	3,803	29	Notes Payable to Others
1,649	2,277	3,855	2,129	1,655	271	Accounts Payable
5,179	1,910	14,159	5,305	2,922	(103)	Other Current Liabilities
$ 69,949	**$ 78,939**	**$ 121,005**	**$ 97,899**	**$ 167,889**	**$ 58,233**	**Current Liabilities**
$ 6,398	**$ 6,654**	**$ 15,455**	**$ 1,209**	**$ 6,975**	**$ 1,863**	**Noncurrent Liabilities**
$ 50	$ 35	$ 53	$ (13)	$ 0	$ (27)	Preferred Stock
373	280	704	943	214	316	Common Stock
3,578	2,169	10,386	5,689	7,658	5,934	Retained Earnings
5,353	7,105	23,713	10,092	3,932	5,288	Paid in Surplus
$ 9,364	**$ 9,587**	**$ 34,856**	**$ 16,711**	**$ 11,804**	**$ 11,511**	**Stockholders' Equity**
$ 85,711	**$ 95,180**	**$ 171,316**	**$ 115,819**	**$ 186,668**	**$ 71,607**	**TOTAL LIABILITIES & EQUITY**
						MEMORANDA:
$1,240,314	$1,789,392	$3,269,726	$2,450,942	$1,886,034	$ 514,141	Total Servicing Portfolio
13,047	15,183	30,917	23,854	9,405	1,315	Servicing Escrows
1,647	135	31,091	574	289	143	Other Escrows & Fiduciary Funds
185,935	267,813	369,460	255,493	108,922	0	1- to 4-unit Mortgage Loans Closed
0	6,323	59,364	127,632	337,675	197,186	Income Property Loans Closed
$ 185,935	**$ 274,135**	**$ 428,825**	**$ 383,125**	**$ 446,597**	**$ 197,186**	**Total Mortgage Loans Closed**
			(Number of Loans)			
						Number of Loans Serviced
30,007	42,986	63,843	53,650	25,472	403	1- to 4-unit Mortgage Loans
105	241	623	498	957	307	Income Property Loans
						Number of Loans Closed
2,801	3,646	5,636	3,629	1,496	0	1- to 4-unit Mortgage Loans
0	5	38	49	107	40	Income Property Loans
79	20	18	17	17	12	Number of Firms Reporting

BALANCE SHEET 1985—AVERAGE FIRM

Table 4.04

By Percent of Income Property Loans Serviced to Total Loans Serviced

	0% All Residential	Less than 5%	5% to 15%	15% to 30%	30% to 90%	90% to 100%	All Reporting Firms	Your Firm
				(Dollars in Thousands)				
	$ 998	$ 1,188	$ 1,836	$ 2,512	$ 2,044	$ 368	$ 1,440	
	4,226	1,413	1,394	272	2,635	294	2,134	
	2,099	10,488	6,039	10,339	6,091	347	5,584	
	32,544	73,011	55,150	59,166	43,420	59	44,670	
	(447)	(1,290)	(692)	(1,195)	(545)	0	(695)	
	32,098	71,721	54,458	57,971	42,875	59	43,975	
	629	555	2,754	2,136	4,511	377	1,635	
	901	13,315	18,217	39,168	91,880	1,671	22,340	
	0	1,843	0	0	0	0	305	
	113	3,151	2,132	29,680	1,590	8,036	5,961	
	33,740	90,585	77,561	128,955	140,856	10,143	74,216	
	1,771	5,876	4,612	5,434	1,726	594	3,305	
	$ 42,834	**$ 109,550**	**$ 91,442**	**$ 7,512**	**$ 153,352**	**$ 11,746**	**$ 86,679**	
	$ 68	$ 300	$ 315	$ 336	$ 138	$ 0	$ 186	
	1,226	4,160	2,685	3,586	2,073	216	2,280	
	(342)	(763)	(969)	(977)	(681)	(82)	(619)	
	8	440	1,271	94	0	0	306	
	5	1,479	1,780	569	550	55	702	
	304	3,705	1,500	3,170	2,627	29	1,716	
	8,119	35,546	23,581	31,496	7,985	914	17,705	
	$ 9,387	**$ 44,865**	**$ 30,162**	**$ 38,275**	**$ 12,689**	**$ 1,132**	**$ 22,278**	
	$ 52,221	**$ 154,415**	**$ 121,604**	**$ 185,787**	**$ 166,041**	**$ 12,878**	**$ 108,957**	
	$ 15,499	$ 80,891	$ 76,845	$ 94,192	$ 122,685	$ 174	$ 59,043	
	14,044	37,921	8,010	46,420	15,055	8,278	20,855	
	3,101	1,766	440	2,135	3,116	26	1,974	
	1,642	2,057	3,070	2,453	1,572	322	1,919	
	5,580	4,957	7,784	7,174	2,300	760	5,166	
	$ 39,866	**$ 127,592**	**$ 96,149**	**$ 152,374**	**$ 144,728**	**$ 9,560**	**$ 88,957**	
	$ 7,324	**$ 9,611**	**$ 10,100**	**$ 1,024**	**$ 6,952**	**$ 908**	**$ 6,614**	
	$ 58	$ 2	$ 45	$ 8	$ 52	$ (19)	$ 31	
	538	85	695	585	369	166	437	
	2,050	3,958	10,348	6,649	6,981	1,656	4,976	
	2,384	13,167	4,266	25,145	6,958	608	7,941	
	$ 5,031	**$ 17,212**	**$ 15,355**	**$ 32,389**	**$ 14,361**	**$ 2,410**	**$ 13,386**	
	$ 52,221	**$ 154,415**	**$ 121,604**	**$ 185,787**	**$ 166,041**	**$ 12,878**	**$ 108,957**	
	$685,821	$2,419,348	$2,262,090	$2,805,598	$1,990,192	$513,696	$1,671,939	
	7,391	20,601	27,502	18,861	18,166	315	202,340	
	1,971	1,201	19,327	1,103	718	1	14,590	
	153,673	297,365	286,625	285,013	147,419	5,144	201,782	
	0	3,921	48,529	96,021	255,591	163,676	70,377	
	$153,673	**$ 301,285**	**$ 335,154**	**$ 381,034**	**$ 403,010**	**$168,820**	**$ 272,159**	
				(Number of Loans)				
	14,800	59,421	57,895	53,557	29,948	89	35,150	
	0	107	374	802	891	228	323	
	2,159	4,508	4,599	3,905	2,000	34	2,962	
	0	2	20	55	60	53	24	
	49	27	28	22	20	17	163	

Table 4.05

COMPARATIVE BALANCE SHEET 1985—AVERAGE FIRM

By Type of Ownership

Bank Holding Company Controlled	Service Corp. for S&L	Privately Held	All Other	All Reporting Firms	Your Firm	Balance Sheet Account
		(Dollars in Thousands)				
$ 1,921	$ 1,211	$ 591	$ 1,838	$ 1,440		Cash (Except Escrows & Other Fiduciary Funds)
1,488	901	416	6,863	2,134		Other Marketable Securities, At Cost
8,393	5,773	1,716	5,494	5,584		Receivables
						Inventory:
53,471	41,377	13,973	75,973	44,670		First Mortgages, Principal Balances
(810)	(830)	(418)	(830)	(695)		Premium (Discount)
52,661	40,457	13,556	75,143	43,975		First Mortgages, At Cost
3,213	0	137	1,226	1,635		Land Loans, Disbursed
48,406	4,918	2,219	4,082	22,340		Construction Loans, Disbursed
681	211	0	0	305		Home Improvement Loans
11,444	400	3,352	300	5,961		Other Loans in Inventory
116,405	46,076	19,263	80,751	74,216		Total Inventory
4,216	1,425	1,292	5,312	3,305		Other Current Assets
$ 132,423	**$ 55,386**	**$ 23,278**	**$ 100,258**	**$ 86,679**		**Current Assets**
$ 250	$ 303	$ 83	$ 163	$ 186		FNMA Stock, At Cost
2,926	2,030	1,395	2,372	2,280		Property, Equip., & Leasehold Improvements
(841)	(542)	(323)	(636)	(619)		Accumulated Depreciation
21	2,869	51	277	306		Land Held for Development
1,506	0	16	316	702		Noninterest Earning Loans
3,045	1,091	263	1,363	1,716		Real Estate Owned Through Foreclosure
24,360	15,674	7,154	20,764	17,705		Other Noncurrent Assets
$ 31,266	**$ 21,423**	**$ 8,638**	**$ 24,619**	**$ 22,278**		**Noncurrent Assets**
$ 163,689	**$ 76,809**	**$ 31,916**	**$ 124,877**	**$ 108,957**		**TOTAL ASSETS**
$ 115,000	$ 26,540	$ 3,433	$ 37,820	$ 59,043		Commercial Paper
13,486	20,214	14,899	47,134	20,855		Notes Payable to Banks
1,378	787	1,216	5,019	1,974		Notes Payable to Others
2,032	2,467	1,218	2,569	1,919		Accounts Payable
5,500	13,034	1,354	7,269	5,166		Other Current Liabilities
$ 137,396	**$ 63,042**	**$ 22,120**	**$ 99,811**	**$ 88,957**		**Current Liabilities**
$ 5,566	**$ 4,217**	**$ 5,452**	**$ 11,829**	**$ 6,614**		**Noncurrent Liabilities**
$ 33	$ (49)	$ 25	$ 69	$ 31		Preferred Stock
600	787	164	368	437		Common Stock
7,344	4,532	2,395	4,058	4,976		Retained Earnings
12,751	4,281	1,761	8,741	7,941		Paid in Surplus
$ 20,727	**$ 9,550**	**$ 4,344**	**$ 13,237**	**$ 13,386**		**Stockholders' Equity**
$ 163,689	**$ 76,809**	**$ 31,916**	**$ 124,877**	**$ 108,957**		**TOTAL LIABILITIES & EQUITY**
						MEMORANDA
$2,294,977	$1,997,013	$ 651,778	$1,794,275	$1,671,939		Total Servicing Portfolio
20,537	25,291	3,498	17,783	141,572		Servicing Escrows
8,430	7,137	619	110	14,364		Other Escrows & Fiduciary Funds
237,450	251,696	87,982	285,009	201,782		1- to 4-unit Mortgage Loans Closed
107,334	35,540	60,567	18,550	70,377		Income Property Loans Closed
$ 344,784	**$ 287,236**	**$ 148,548**	**$ 303,559**	**$ 272,159**		**Total Mortgage Loans Closed**
		(Number of Loans)				
						Number of Loans Serviced
49,175	45,274	11,271	38,201	35,150		1- to 4-unit Mortgage Loans
538	294	114	196	323		Income Property Loans
						Number of Loans Closed
3,652	3,586	1,296	3,851	2,962		1- to 4-unit Mortgage Loans
34	9	25	7	24		Income Property Loans
69	13	50	31	163		Number of Firms Reporting

SELECTED RATIOS—1985

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Table 5.01

SELECTED RATIOS—1985

By Millions of Dollars of Mortgage Loans Closed

Under $20	$20 to $50	$50 to $100	$100 to $200	$200 to $350	Over $350	
						PROFITABILITY
0.239	0.307	0.314	0.363	0.430	0.402	Total Interest Income/Total Income
0.211	0.355	0.300	0.292	0.319	0.310	Loan Admin. Income/Total Income
0.477	0.226	0.310	0.276	0.174	0.230	Loan Orig. Income/Total Income
0.073	0.112	0.076	0.070	0.077	0.057	All Other Income/Total Income
0.440	0.428	0.356	0.400	0.301	0.316	Personnel Expenses/Total Expenses
0.562	0.572	0.645	0.600	0.699	0.684	Nonpersonnel Expenses/Total Expenses
0.181	0.252	0.289	0.269	0.337	0.315	Interest Expenses/Total Expenses
0.300	0.096	0.143	0.101	0.111	0.114	Net Operating Income/Total Income
0.000	0.494	0.628	0.618	0.778	0.575	Net Income/Net Operating Income
0.000	0.047	0.090	0.063	0.086	0.065	Net Income/Total Income
0.000	0.080	0.160	0.094	0.185	0.100	Net Income/Average Equity
0.000	0.014	0.022	0.015	0.017	0.013	Net Income/Average Assets
						LEVERAGE
0.089	0.065	0.061	0.058	0.058	0.055	Total Int. Exp./Avg. Total Liabilities
1.021	1.313	1.557	1.423	1.342	1.514	(Total Noncash Exp. + Net Income + Interest Exp.)/Interest Expense
2.333	4.953	6.716	6.745	10.977	7.725	Debt/Average Equity
0.678	0.838	0.935	1.072	0.987	1.000	Debt/Average Assets
3.438	5.912	7.183	6.291	11.126	7.726	Average Assets/Average Equity
						ACTIVITY
0.510	0.285	0.248	0.240	0.193	0.198	Asset Turnover (Total Income/Avg. Assets)
45	57	57	45	56	49	Avg. Day All Loans in Inventory
65	77	71	61	88	74	Avg. Day 1- to 4-unit Loans in Inventory
3	6	6	16	6	7	Avg. Day Income Prop. Loans in Inventory
25	27	48	29	31	31	Number of Loans Closed/Orig. Employee
452	484	456	493	587	610	Number of Loans Serv./Loan Admin. Empl.
$ 826,500	$ 2,224,200	$ 2,427,688	$ 2,379,033	$ 2,808,874	$ 2,956,828	$ Amt. of Loans Closed/Orig. Employee
$15,195,000	$19,864,750	$16,991,208	$22,750,000	$28,586,375	$28,731,637	$ Amt. of Loans Serv./Loan Admin. Empl.
$ 97,091	$ 234,317	$ 332,043	$ 333,413	$ 551,808	$ 558,147	Total Assets/Employees
$ 50,318	$ 65,951	$ 77,900	$ 65,720	$ 98,882	$ 96,226	Total Income/Employees
$ 48,818	$ 59,610	$ 66,743	$ 59,063	$ 87,939	$ 85,284	Total Expenses/Employees
$ 20,565	$ 25,512	$ 23,408	$ 23,486	$ 26,208	$ 26,960	Personnel Expenses/Employees
						LIQUIDITY
0.143	0.043	0.031	0.019	0.016	0.015	Cash/Current Assets
0.037	0.003	0.002	0.002	0.003	0.002	FNMA Stock, At Cost/Current Assets
0.036	0.010	0.014	0.011	0.100	0.011	Marketable Securities/Current Assets
0.098	0.077	0.066	0.051	0.052	0.068	Receivables/Current Assets
0.663	0.814	0.845	0.897	0.733	0.880	Inventory/Current Assets
0.060	0.055	0.044	0.023	0.099	0.026	Other Current Assets/Current Assets
1.217	1.078	1.122	0.987	0.937	0.972	Current Assets/Current Liabilities
0.810	0.831	0.854	0.856	0.744	0.797	Current Assets/Total Assets
0.190	0.169	0.146	0.144	0.256	0.203	Noncurrent Assets/Total Assets
$ 309,000	$ 577,000	$ 2,167,000	$ (555,000)	$ (6,276,000)	$ (6,296,000)	Current Assets—Current Liabilities
12	25	26	32	23	45	Number of Firms Reporting

SELECTED RATIOS—1985

By Millions of Dollars of Mortgage Loans Serviced

Table 5.02

	Under $125	$125 to $350	$350 to $700	$700 to $1,500	$1,500 to $2,500	$2,500 or More	All Reporting Firms	Your Firm
	0.475	0.314	0.329	0.412	0.400	0.400	0.397	
	0.046	0.235	0.245	0.244	0.267	0.358	0.310	
	0.435	0.339	0.266	0.313	0.208	0.196	0.230	
	0.045	0.113	0.160	0.030	0.124	0.046	0.064	
	0.313	0.427	0.374	0.392	0.344	0.301	0.326	
	0.686	0.573	0.626	0.608	0.656	0.699	0.674	
	0.412	0.272	0.272	0.282	0.310	0.318	0.311	
	0.055	0.122	0.097	0.207	0.119	0.095	0.113	
	0.590	0.730	0.523	0.598	0.511	0.649	0.612	
	0.032	0.089	0.051	0.124	0.061	0.062	0.069	
	0.093	0.140	0.094	0.173	0.111	0.098	0.112	
	0.005	0.028	0.012	0.024	0.014	0.012	0.014	
	0.063	0.075	0.058	0.042	0.061	0.058	0.056	
	1.092	1.464	1.293	1.639	1.339	1.515	1.473	
	20.678	4.429	8.259	6.946	8.502	7.806	7.909	
	1.160	0.882	1.050	0.947	1.051	0.988	0.998	
	17.831	5.019	7.865	7.335	8.091	7.900	7.925	
	0.161	0.314	0.236	0.190	0.225	0.201	0.204	
	83	42	38	31	47	58	50	
	108	48	60	51	68	84	74	
	1	15	9	2	14	10	8	
	26	61	32	36	33	30	32	
	114	372	514	476	618	626	579	
	$ 1,890,000	$ 2,811,778	$ 3,083,452	$ 4,210,609	$ 2,674,604	$ 2,586,592	$ 2,813,535	
	$ 7,595,500	$ 14,099,500	$ 25,265,450	$ 26,688,711	$ 28,504,765	$ 28,344,415	$ 26,966,758	
	$ 572,884	$ 206,439	$ 325,573	$ 562,376	$ 388,327	$ 572,007	$ 502,106	
	$ 75,535	$ 63,985	$ 65,955	$ 98,291	$ 73,900	$ 100,921	$ 90,244	
	$ 71,395	$ 56,212	$ 59,555	$ 77,915	$ 65,097	$ 91,344	$ 80,078	
	$ 21,864	$ 23,627	$ 22,072	$ 30,359	$ 22,344	$ 27,417	$ 26,009	
	0.021	0.055	0.014	0.011	0.023	0.016	0.017	
	0.001	0.002	0.002	0.001	0.003	0.002	0.002	
	0.272	0.016	0.006	0.023	0.021	0.006	0.025	
	0.024	0.060	0.057	0.055	0.054	0.073	0.064	
	0.666	0.815	0.863	0.897	0.843	0.865	0.856	
	0.016	0.054	0.059	0.013	0.059	0.040	0.038	
	1.575	1.039	1.078	1.069	0.854	0.933	0.974	
	0.976	0.883	0.872	0.888	0.747	0.761	0.796	
	0.024	0.117	0.128	0.112	0.253	0.239	0.204	
	$ 8,779,000	$ 454,000	$ 2,257,000	$ 4,531,000	$(16,370,000)	$(18,858,000)	$ (2,278,000)	
	31	21	32	31	16	32	163	

Table 5.03

SELECTED RATIOS—1985

By Percent of Income Property Loans Closed to Total Loans Closed

0% All Residential	Less than 10%	10% to 25%	25% to 50%	50% to 99%	100% Income Property	
						PROFITABILITY
0.390	0.355	0.355	0.299	0.567	0.439	Total Interest Income/Total Income
0.318	0.390	0.345	0.361	0.186	0.085	Loan Admin. Income/Total Income
0.236	0.206	0.197	0.241	0.231	0.379	Loan Orig. Income/Total Income
0.055	0.048	0.103	0.098	0.016	0.098	All Other Income/Total Income
0.328	0.329	0.357	0.364	0.236	0.446	Personnel Expenses/Total Expenses
0.672	0.671	0.644	0.636	0.765	0.554	Nonpersonnel Expenses/Total Expenses
0.303	0.322	0.253	0.227	0.491	0.111	Interest Expenses/Total Expenses
0.121	(0.058)	0.159	0.095	0.140	0.342	Net Operating Income/Total Income
0.630	0.510	0.584	0.616	0.620	0.513	Net Income/Net Operating Income
0.076	(0.030)	0.093	0.059	0.087	0.175	Net Income/Total Income
0.134	(0.060)	0.114	0.084	0.223	0.122	Net Income/Average Equity
0.016	(0.006)	0.021	0.013	0.015	0.020	Net Income/Average Assets
						LEVERAGE
0.057	0.072	0.047	0.045	0.075	0.008	Total Int. Exp./Avg. Total Liabilities
1.529	1.090	1.709	1.534	1.382	3.696	(Total Noncash Exp. + Net Income + Interest Exp.)/Interest Expense
8.501	9.239	5.240	5.994	15.601	5.355	Debt/Average Equity
1.038	0.955	0.949	0.927	1.077	0.857	Debt/Average Assets
8.191	9.674	5.520	6.465	14.482	6.250	Average Assets/Average Equity
						ACTIVITY
0.216	0.211	0.223	0.222	0.177	0.111	Asset Turnover (Total Income/Avg. Assets
71	56	52	51	17	0	Avg. Day All Loans in Inventory
81	62	70	77	71	0	Avg. Day 1- to 4-unit Loans in Inventory
0	50	16	21	3	1	Avg. Day Income Prop. Loans in Inventor
38	30	31	27	22	3	Number of Loans Closed/Orig. Employee
606	570	630	596	464	79	Number of Loans Serv./Loan Admin. Emp
$ 2,321,671	$ 2,229,707	$ 2,362,568	$ 2,777,797	$ 6,129,680	$13,222,533	$ Amt. of Loans Closed/Orig. Employee
$24,319,882	$ 23,544,632	$31,744,913	$26,933,429	$33,088,316	$57,126,778	$ Amt. of Loans Serv./Loan Admin. Empl
$ 484,243	$ 379,203	$ 399,338	$ 383,507	$ 1,085,279	$ 1,432,140	Total Assets/Employees
$ 89,571	$ 75,199	$ 74,569	$ 78,450	$ 167,506	$ 156,040	Total Income/Employees
$ 78,768	$ 79,570	$ 62,716	$ 70,970	$ 144,105	$ 102,640	Total Expenses/Employees
$ 25,669	$ 26,087	$ 22,307	$ 25,808	$ 33,746	$ 44,922	Personnel Expenses/Employees
						LIQUIDITY
0.017	0.016	0.034	0.013	0.008	0.008	Cash/Current Assets
0.002	0.002	0.003	0.004	0.001	0.000	FNMA Stock, At Cost/Current Assets
0.045	0.005	0.025	0.000	0.007	0.047	Marketable Securities/Current Assets
0.075	0.063	0.086	0.075	0.037	0.022	Receivables/Current Assets
0.827	0.795	0.847	0.830	0.939	0.919	Inventory/Current Assets
0.036	0.121	0.008	0.081	0.010	0.005	Other Current Assets/Current Assets
0.903	0.921	1.031	0.970	1.054	1.170	Current Assets/Current Liabilities
0.737	0.764	0.728	0.820	0.948	0.951	Current Assets/Total Assets
0.263	0.236	0.272	0.180	0.052	0.049	Noncurrent Assets/Total Assets
$ (6,777,000)	$ (6,205,000)	$ 3,731,000	$ (2,959,000)	$ 8,993,000	$ 9,883,000	Current Assets—Current Liabilities
79	20	18	17	17	12	Number of Firms Reporting

SELECTED RATIOS—1985

Table 5.04

By Percent of Income Property Loans Serviced to Total Loans Serviced

	0% All Residential	Less than 5%	5% to 15%	15% to 30%	30% to 90%	90% to 100%	All Reporting Firms	Your Firm
	0.367	0.363	0.391	0.420	0.473	0.234	0.397	
	0.278	0.370	0.339	0.305	0.238	0.170	0.310	
	0.261	0.244	0.174	0.194	0.276	0.468	0.230	
	0.093	0.023	0.096	0.082	0.012	0.128	0.064	
	0.363	0.306	0.352	0.296	0.306	0.497	0.326	
	0.637	0.694	0.648	0.704	0.694	0.504	0.674	
	0.289	0.297	0.319	0.313	0.351	0.235	0.311	
	0.078	0.076	0.177	0.056	0.158	0.276	0.113	
	0.803	0.377	0.591	0.772	0.664	0.507	0.612	
	0.062	0.029	0.104	0.043	0.105	0.140	0.069	
	0.119	0.051	0.190	0.050	0.191	0.211	0.112	
	0.013	0.006	0.025	0.007	0.019	0.041	0.014	
	0.057	0.060	0.064	0.050	0.053	0.049	0.056	
	1.277	1.491	1.616	1.423	1.474	1.854	1.473	
	8.666	9.042	7.252	5.965	11.011	4.258	7.909	
	0.966	1.126	0.971	0.877	1.084	0.819	0.998	
	8.970	8.028	7.470	6.802	10.153	5.197	7.925	
	0.213	0.219	0.244	0.169	0.179	0.290	0.204	
	69	68	50	51	30	0	50	
	71	86	65	68	94	0	74	
	0	40	17	15	6	0	8	
	39	33	37	25	22	9	32	
	556	599	713	533	467	64	579	
	$ 2.488.825	$ 2.159.539	$ 2.610.757	$ 2.467.582	$ 4.399.348	$ 16.963.400	$ 2.813.535	
	$24.493.607	$ 24.193.480	$27.254.096	$27.505.863	$30.154.424	$102.739.200	$26.966.758	
	$ 392.639	$ 473.666	$ 422.236	$ 546.432	$ 860.316	$ 415.419	$ 502.106	
	$ 78.120	$ 81.825	$ 92.708	$ 87.112	$ 129.622	$ 119.645	$ 90.244	
	$ 72.060	$ 75.586	$ 76.337	$ 82.226	$ 109.150	$ 86.645	$ 80.078	
	$ 25.955	$ 23.012	$ 26.740	$ 24.344	$ 33.237	$ 43.032	$ 26.009	
	0.023	0.011	0.020	0.017	0.013	0.031	0.017	
	0.002	0.003	0.003	0.002	0.001	0.000	0.002	
	0.099	0.013	0.015	0.002	0.017	0.025	0.025	
	0.049	0.096	0.066	0.070	0.040	0.030	0.064	
	0.788	0.827	0.848	0.874	0.919	0.864	0.856	
	0.041	0.054	0.050	0.037	0.011	0.051	0.038	
	1.074	0.859	0.951	0.968	1.060	1.229	0.974	
	0.820	0.709	0.752	0.794	0.924	0.912	0.796	
	0.180	0.291	0.248	0.206	0.076	0.088	0.204	
	$ 2.968.000	$(18.042.000)	$ (4.707.000)	$ (4.862.000)	$ 8.624.000	$ 2.186.000	$ (2.278.000)	
	49	27	28	22	20	17	163	

Table 5.05

SELECTED RATIOS—1985

By Type of Ownership

Bank Holding Company Controlled	Service Corp. for S&L	Privately Held	All Other	All Reporting Firms	Your Firm	
						PROFITABILITY
0.461	0.217	0.267	0.360	0.397	_____	Total Interest Income/Total Income
0.304	0.421	0.284	0.298	0.310	_____	Loan Admin. Income/Total Income
0.206	0.279	0.278	0.251	0.230	_____	Loan Orig. Income/Total Income
0.029	0.083	0.171	0.092	0.064	_____	All Other Income/Total Income
0.299	0.402	0.388	0.335	0.326	_____	Personnel Expenses/Total Expenses
0.701	0.598	0.612	0.665	0.674	_____	Nonpersonnel Expenses/Total Expenses
0.357	0.174	0.218	0.293	0.311	_____	Interest Expenses/Total Expenses
0.128	0.103	0.073	0.096	0.113	_____	Net Operating Income/Total Income
0.607	0.826	0.371	0.643	0.612	_____	Net Income/Net Operating Income
0.077	0.085	0.027	0.062	0.069	_____	Net Income/Total Income
0.116	0.198	0.046	0.109	0.112	_____	Net Income/Average Equity
0.014	0.024	0.007	0.013	0.014	_____	Net Income/Average Assets
						LEVERAGE
0.058	0.045	0.053	0.056	0.056	_____	Total Int. Exp./Avg. Total Liabilities
1.452	1.814	1.427	1.482	3.993	_____	(Total Noncash Exp. + Net Income + Interest Exp.)/Interest Expense
7.873	7.672	6.408	8.924	7.909	_____	Debt/Average Equity
0.977	0.949	0.988	1.081	0.998	_____	Debt/Average Assets
8.055	8.086	6.485	8.253	7.925	_____	Average Assets/Average Equity
						ACTIVITY
0.186	0.288	0.265	0.213	0.204	_____	Asset Turnover (Total Income/Avg. Assets)
49	45	27	72	50	_____	Avg. Day All Loans in Inventory
74	54	54	93	74	_____	Avg. Day 1- to 4-unit Loans in Inventory
8	24	2	20	8	_____	Avg. Day Income Prop. Loans in Inventory
30	29	32	37	32	_____	Number of Loans Closed/Orig. Employee
606	507	543	589	363	_____	Number of Loans Serv./Loan Admin. Empl.
$ 2,767,109	$ 2,347,610	$ 3,642,268	$ 2,611,127	$ 2,813,535	_____	$ Amt. of Loans Closed/Orig. Employee
$ 27,650,325	$ 22,189,033	$31,037,048	$26,780,224	$ 16,888,273	_____	$ Amt. of Loans Serv./Loan Admin. Empl.
$ 574,347	$ 277,289	$ 322,384	$ 547,706	$ 428,965	_____	Total Assets/Employees
$ 95,302	$ 73,711	$ 74,646	$ 96,618	$ 77,098	_____	Total Income/Employees
$ 83,130	$ 66,137	$ 69,212	$ 87,298	$ 68,413	_____	Total Expenses/Employees
$ 24,773	$ 26,504	$ 26,580	$ 28,987	$ 22,235	_____	Personnel Expenses/Employees
						LIQUIDITY
0.015	0.022	0.025	0.018	0.017	_____	Cash/Current Assets
0.002	0.005	0.004	0.002	0.002	_____	FNMA Stock, At Cost/Current Assets
0.011	0.016	0.018	0.068	0.025	_____	Marketable Securities/Current Assets
0.063	0.104	0.074	0.055	0.064	_____	Receivables/Current Assets
0.879	0.832	0.828	0.805	0.856	_____	Inventory/Current Assets
0.032	0.026	0.056	0.053	0.038	_____	Other Current Assets/Current Assets
0.964	0.879	1.052	1.004	0.974	_____	Current Assets/Current Liabilities
0.809	0.721	0.729	0.803	0.796	_____	Current Assets/Total Assets
0.191	0.279	0.271	0.197	0.204	_____	Noncurrent Assets/Total Assets
$ (4,973,000)	$ (7,656,000)	$ 1,158,000	$ 447,000	$ (2,278,000)	_____	Current Assets—Current Liabilities
69	13	50	31	163	_____	Number of Firms Reporting

MORTGAGE BANKING HISTORICAL TRENDS, 1981–1985

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Table 6.01 **COMPARATIVE INCOME STATEMENT—AVERAGE FIRM**

1985 Average Firm	1984 Average Firm	1983 Average Firm	1982 Average Firm	1981 Average Firm	
					INCOME:
					Loan Administration
26.4%	26.7%	23.1%	24.2%	26.2%	Servicing Fees, 1st Mtg. Loans
0.2	0.1	0.1	0.4	0.3	Servicing Fees, Non-1st Mtg. Loans
4.4	5.1	3.6	4.1	3.7	Other Loan Admin. Income
31.0%	**31.9%**	**26.8%**	**28.7%**	**30.2%**	**Loan Administration Income**
					Loan Origination
1.9%	1.2%	2.4%	1.8%	1.0%	Brokerage Fees
4.4	4.1	5.3	5.6	2.9	Gain or (Loss) on Mtgs. Sold (Gross)
4.4	3.6	6.2	3.5	3.9	FHA & VA 1% Fees, 1- to 4-unit
5.3	5.9	4.9	3.8	2.9	Conventional Fees, 1- to 4-unit
0.6	0.5	0.7	1.0	0.8	Multiunit Fees
1.6	1.6	1.0	1.3	0.9	Nonresidential Fees
2.3	2.4	2.0	2.3	2.1	Land Development & Const. Fees
2.4	2.3	3.5	2.7	2.4	All Other Loan Origination Income
22.9%	**21.6%**	**26.0%**	**22.0%**	**16.9%**	**Loan Origination Income**
					Interest
23.1%	22.6%	26.3%	19.5%	20.7%	Inventory of First Mortgages
10.5	10.3	10.0	16.8	17.0	Construction Loans
6.1	6.4	4.7	5.3	7.4	Other Interest Income
39.7%	**39.3%**	**41.0%**	**41.6%**	**45.1%**	**Interest Income**
1.2%	**1.5%**	**1.4%**	**1.4%**	**1.9%**	**Insurance Commissions**
0.1%	**0.2%**	**0.3%**	**0.4%**	**0.5%**	**Property Management Income**
1.0%	**1.2%**	**1.6%**	**1.6%**	**0.6%**	**Real Estate Commissions**
4.0%	**4.1%**	**2.8%**	**4.4%**	**4.8%**	**Other Income**
100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**TOTAL INCOME**
					EXPENSES:
					Personnel
5.0%	5.7%	5.6%	5.5%	5.5%	Loan Administration
13.6	13.1	12.7	9.8	10.0	Loan Origination
0.2	0.3	0.3	0.3	0.5	Insurance
0.1	0.1	0.2	0.2	0.2	Property Management
0.2	0.3	0.3	0.5	0.4	Real Estate
1.8	1.9	2.3	1.9	2.2	Management
3.9	3.9	3.0	3.6	3.5	All Other Personnel
0.2	0.2	0.4	0.1	0.1	Directors' Fees
3.9	4.2	3.7	3.3	3.6	Employee Benefits & Expense
28.9%	**29.7%**	**28.5%**	**25.2%**	**26.0%**	**Total Personnel Expense**
					Nonpersonnel Expense
27.6%	28.8%	27.1%	33.0%	39.6%	Interest Expense
3.3	3.3	2.8	2.8	3.0	Occupancy
2.1	2.0	1.6	2.0	1.7	Electronic Data Processing
1.1	1.1	0.9	0.8	0.9	Other Equipment Rental
4.2	4.4	4.1	3.8	3.7	Office Supplies
1.1	1.3	1.1	1.1	1.1	Travel & Entertainment
0.4	0.5	0.5	0.5	0.7	Automobile
0.5	0.5	0.4	0.3	0.3	Advertising
1.3	1.1	0.9	0.8	0.8	Loan Processing
1.0	0.8	1.0	0.9	0.2	Brokerage Commissions
1.1	1.0	0.7	1.7	1.3	Commitment & Auction Fees
0.9	0.9	0.8	1.1	1.0	Legal & Auditing Fees
5.8	4.0	3.4	3.4	2.5	Amortization-Purchased Servicing
0.6	0.5	0.2	0.2	0.2	Real Estate & Property Management
0.2	0.3	0.3	0.2	0.3	Fees for GNMA Pools
3.0	2.0	1.1	1.0	1.8	Provision for Loan Losses
5.4	5.0	5.1	3.9	4.2	All Other Operating Expense
59.6%	**57.5%**	**52.0%**	**57.5%**	**63.3%**	**Total Nonpersonnel Expense**
88.7%	**87.2%**	**80.3%**	**82.9%**	**89.6%**	**TOTAL EXPENSES**
11.3%	**12.8%**	**19.7%**	**17.1%**	**10.4%**	**Net Operating Income**
1.4%	**1.3%**	**0.3%**	**0.4%**	**0.8%**	**Net Nonrecurring Gain (Loss)**
5.8%	**6.0%**	**8.7%**	**7.3%**	**5.4%**	**Taxes on Income**
6.9%	**8.0%**	**11.2%**	**10.2%**	**5.8%**	**NET INCOME**
163	177	167	160	198	Number of Firms Reporting

INCOME STATEMENT—AVERAGE FIRM

Table 6.02

	1985 Average Firm	1984 Average Firm	1983 Average Firm	1982 Average Firm	1981 Average Firm
			(Dollars in Thousands)		
	$ 5,178	$ 4,39	$ 3,513	$ 2,865	$ 2,540
	35	21	18	48	26
	859	845	554	491	362
	$ 6,072	**$ 5,261**	**$ 4,085**	**$ 3,404**	**$ 2,928**
	$ 363	$ 203	$ 371	$ 208	$ 100
	866	674	800	660	284
	864	595	944	419	374
	1,046	966	747	455	283
	125	76	108	113	76
	309	267	158	157	92
	445	400	301	276	200
	479	381	536	320	235
	$ 4,497	**$ 3,562**	**$ 3,965**	**$ 2,608**	**$ 1,644**
	$ 4,521	$ 3,722	$ 4,007	$ 2,313	$ 2,007
	2,055	1,690	1,528	1,990	1,644
	1,190	1,060	709	622	718
	$ 7,766	**$ 6,472**	**$ 6,244**	**$ 4,925**	**$ 4,369**
	$ 242	**$ 250**	**$ 211**	**$ 164**	**$ 181**
	$ 24	**$ 27**	**$ 42**	**$ 48**	**$ 44**
	$ 198	**$ 201**	**$ 237**	**$ 186**	**$ 57**
	$ 783	**$ 672**	**$ 426**	**$ 512**	**$ 464**
	$19,583	**$16,446**	**$15,208**	**$11,847**	**$ 9,688**
	$ 983	$ 934	$ 852	$ 657	$ 528
	2,655	2,149	1,925	1,160	972
	42	53	52	33	48
	16	17	23	20	22
	46	45	43	54	41
	353	315	348	231	212
	770	642	455	427	343
	35	31	60	11	13
	770	685	556	389	345
	$ 5,670	**$ 4,871**	**$ 4,314**	**$ 2,982**	**$ 2,524**
	$ 5,402	$ 4,741	$ 4,120	$ 3,914	$ 3,838
	648	547	428	331	294
	416	333	250	236	160
	211	189	139	99	86
	837	718	619	452	368
	219	215	160	136	110
	80	79	82	62	72
	97	86	66	37	29
	262	179	130	96	73
	190	124	152	107	19
	220	178	102	193	124
	182	145	129	127	99
	1,141	663	512	398	245
	111	88	29	27	23
	48	49	43	29	32
	590	323	166	124	178
	1,054	822	772	463	404
	$11,708	**$ 9,479**	**$ 7,899**	**$ 6,831**	**$ 6,154**
	$17,377	**$14,349**	**$12,212**	**$ 9,816**	**$ 8,679**
	$ 2,205	**$ 2,097**	**$ 2,996**	**$ 2,031**	**$ 1,009**
	$ 278	**$ 206**	**$ 43**	**$ 47**	**$ 73**
	$ 1,133	**$ 982**	**$ 1,328**	**$ 870**	**$ 520**
	$ 1,350	**$ 1,321**	**$ 1,710**	**$ 1,207**	**$ 562**
	163	177	167	160	198

Table 6.03

COMPARATIVE BALANCE SHEET—AVERAGE FIRM

1985 Average Firm	1984 Average Firm	1983 Average Firm	1982 Average Firm	1981 Average Firm	
1.3%	1.9%	2.1%	2.1%	2.2%	Cash (Except Escrows & Other Fiduciary Funds
2.0	1.9	0.7	1.0	2.1	Other Marketable Securities, At Cost
5.1	6.4	4.7	4.0	8.3	Receivables
					Inventory:
41.0	43.1	51.5	46.9	31.8	First Mortgages, Principal Balances
(0.6)	(1.0)	(1.6)	(1.3)	(1.5)	Premium (Discount)
40.4	42.1	49.5	45.7	30.2	First Mortgages, At Cost
1.5	2.2	1.3	3.3	3.3	Land Loans, Disbursed
20.5	18.1	18.4	20.7	21.1	Construction Loans, Disbursed
0.3	0.2	0.0	0.4	0.3	Home Improvement Loans
5.5	2.6	4.1	4.3	9.9	Other Loans in Inventory
68.2	65.2	73.3	74.3	64.9	Total Inventory
3.0	4.6	2.8	3.0	2.9	Other Current Assets
79.6%	**80.0%**	**83.6%**	**84.4%**	**80.4%**	**Current Assets**
0.2%	0.3%	0.4%	0.5%	0.8%	FNMA Stock, At Cost
2.1	2.6	2.4	2.0	2.8	Property, Equip., & Leasehold Improvements
(0.6)	(0.7)	(0.7)	(0.6)	(0.8)	Accumulated Depreciation
0.3	0.3	0.3	0.3	0.7	Land Held for Development
0.6	0.6	0.6	0.9	1.3	Noninterest Earning Loans
1.6	1.4	1.3	1.5	2.2	Real Estate Owned Through Foreclosure
16.2	15.4	12.2	10.8	12.6	Other Noncurrent Assets
20.4%	**20.0%**	**16.4%**	**15.6%**	**19.6%**	**Noncurrent Assets**
100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**TOTAL ASSETS**
54.2%	51.2%	46.9%	54.9%	50.1%	Commercial Paper
19.1	18.8	26.4	20.3	20.3	Notes Payable to Banks
1.8	2.2	1.4	2.8	4.0	Notes Payable to Others
1.8	2.3	2.8	2.2	2.5	Accounts Payable
4.7	5.7	4.8	4.0	4.5	Other Current Liabilities
81.6%	**80.2%**	**82.3%**	**84.2%**	**81.4%**	**Current Liabilities**
6.1%	**6.1%**	**5.5%**	**3.5%**	**3.9%**	**Noncurrent Liabilities**
0.0%	0.2%	0.4%	0.1%	0.6%	Preferred Stock
0.4	0.5	0.6	1.0	1.0	Common Stock
4.6	7.1	6.8	6.2	6.7	Retained Earnings
7.3	5.9	4.4	5.1	6.4	Paid in Surplus
12.3%	**13.7%**	**12.2%**	**12.3%**	**14.7%**	**Stockholders' Equity**
100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**TOTAL LIABILITIES & EQUITY**
163	177	167	160	198	Number of Firms Reporting

	1985 Average Firm	1984 Average Firm	1983 Average Firm	1982 Average Firm	1981 Average Firm
	(Dollars in Thousands)				
Cash (Except Escrows & Other Fiduciary Funds)	$ 1,440	$ 1,416	$ 1,440	$ 1,217	$ 857
Other Marketable Securities, At Cost	2,134	1,468	499	550	786
Receivables	5,584	4,826	3,159	2,288	3,162
Inventory:					
First Mortgages, Principal Balances	44,670	32,676	34,400	26,780	12,140
Premium (Discount)	(695)	(753)	(1,072)	(722)	(569)
First Mortgages, At Cost	43,975	31,923	33,328	26,058	11,510
Land Loans, Disbursed	1,635	1,660	843	1,869	1,251
Construction Loans, Disbursed	22,340	13,731	12,394	11,790	8,033
Home Improvement Loans	305	174	5	243	131
Other Loans in Inventory	5,961	1,988	2,756	2,471	3,775
Total Inventory	74,216	49,476	49,326	42,431	24,761
Other Current Assets	3,305	3,489	1,875	1,722	1,095
Current Assets	**$ 86,679**	**$ 60,675**	**$ 56,299**	**$ 48,208**	**$ 30,661**
FNMA Stock, At Cost	$ 186	$ 247	$ 259	$ 277	$ 292
Property, Equip. & Leasehold Improvements	2,280	1,932	1,616	1,167	1,067
Accumulated Depreciation	(619)	(542)	(460)	(336)	(308)
Land Held for Development	306	196	223	197	285
Noninterest Earning Loans	702	491	399	517	505
Real Estate Owned Through Foreclosures	1,716	1,076	847	832	825
Other Noncurrent Assets	17,705	11,667	8,197	6,185	4,808
Noncurrent Assets	**$ 22,278**	**$ 15,065**	**$ 11,080**	**$ 8,838**	**$ 7,475**
TOTAL ASSETS	**$ 108,957**	**$ 75,740**	**$ 67,379**	**$ 57,046**	**$ 38,136**
Commercial Paper	$ 59,043	$ 38,783	$ 31,572	$ 31,335	$ 19,097
Notes Payable to Banks	20,855	14,252	17,812	11,553	7,726
Notes Payable to Others	1,974	1,657	941	1,580	1,539
Accounts Payable	1,919	1,723	1,909	1,272	969
Other Current Liabilities	5,166	4,293	3,261	2,305	1,708
Current Liabilities	**$ 88,957**	**$ 60,708**	**$ 55,495**	**$ 48,045**	**$ 31,039**
Noncurrent Liabilities	**$ 6,614**	**$ 4,646**	**$ 3,703**	**$ 1,974**	**$ 1,493**
Preferred Stock	$ 31	$ 189	$ 244	$ 33	$ 212
Common Stock	437	412	394	588	375
Retained Earnings	4,976	5,342	4,554	3,516	2,564
Paid in Surplus	7,941	4,443	2,989	2,889	2,454
Stockholders' Equity	**$ 13,386**	**$ 10,386**	**$ 8,181**	**$ 7,027**	**$ 5,604**
TOTAL LIABILITIES & EQUITY	**$ 108,957**	**$ 75,740**	**$ 67,379**	**$ 57,046**	**$ 38,136**
MEMORANDA:					
Total Servicing Portfolio	$1,671,939	$1,340,328	$1,151,339	$972,406	$825,428
Servicing Escrows	15,166	12,172	9,982	10,978	6,737
Other Escrows & Fiduciary Funds	4,349	735	385	6,982	2,458
1- to 4-unit Mortgage Loans Closed	201,782	162,516	197,323	89,033	66,841
Income Property Loans Closed	70,377	47,517	34,868	22,220	20,645
Total Mortgage Loans Closed	**$ 272,159**	**$ 210,033**	**$ 232,191**	**$111,253**	**$ 87,494**
	(Number of Loans)				
Number of Loans Serviced					
1- to 4-unit Mortgage Loans	35,150	31,438	26,970	25,071	22,067
Income Property Loans	323	265	225	236	285
Number of Loans Closed					
1- to 4-unit Mortgage Loans	2,962	2,490	3,162	1,599	1,288
Income Property Loans	24	18	38	9	12
Number of Firms Reporting	163	177	167	160	198

Table 6.05

SELECTED RATIOS

1985 Average Firm	1984 Average Firm	1983 Average Firm	1982 Average Firm	1981 Average Firm	
					PROFITABILITY
0.397	0.394	0.441	0.416	0.451	Total Interest Income/Total Income
0.310	0.320	0.269	0.287	0.302	Loan Admin. Income/Total Income
0.230	0.217	0.261	0.220	0.170	Loan Orig. Income/Total Income
0.064	0.070	0.060	0.077	0.077	All Other Income/Total Income
0.326	0.339	0.353	0.304	0.291	Personnel Expenses/Total Expenses
0.674	0.661	0.647	0.696	0.709	Nonpersonnel Expenses/Total Expenses
0.311	0.330	0.337	0.399	0.442	Interest Expenses/Total Expenses
0.113	0.128	0.197	0.171	0.104	Net Operating Income/Total Income
0.612	0.630	0.571	0.594	0.557	Net Income/Net Operating Income
0.069	0.080	0.112	0.102	0.058	Net Income/Total Income
0.112	0.133	0.169	0.189	0.106	Net Income/Average Equity
0.014	0.019	0.024	0.024	0.015	Net Income/Average Assets
					LEVERAGE
0.056	0.067	0.057	0.078	0.104	Total Int. Exp./Avg. Total Liabilities
1.473	1.410	1.520	1.368	3.281	(Total Noncash Exp. + Net Income + Interest Exp.)/Interest Expense
7.909	6.569	5.852	7.838	6.156	Debt/Average Equity
0.998	0.923	0.826	0.998	0.880	Debt/Average Assets
7.925	7.114	7.085	7.856	6.993	Average Assets/Average Equity
					ACTIVITY
0.204	0.232	0.212	0.236	0.262	Asset Turnover (Total Income/Avg. Assets)
50	51	45	62	49	Avg. Day All Loans in Inventory
74	68	58	62	37	Avg. Day 1- to 4-unit Loans in Inventory
8	7	13	20	4	Avg. Day Income Prop. Loans in Inventory
32	31	42	33	31	Number of Loans Closed/Orig. Employee
579	561	518	546	573	Number of Loans Serv./Loan Admin. Empl.
$ 2,813,535	$ 2,590,024	$ 3,208,795	$ 2,305,865	$ 2,145,455	$ Amt. of Loans Closed/Orig. Employee
$ 26,966,758	$ 23,514,526	$ 21,723,377	$ 20,689,489	$ 20,635,700	$ Amt. of Loans Serv./Loan Admin. Empl.
$ 502,106	$ 411,630	$ 396,347	$ 425,716	$ 325,949	Total Assets/Employees
$ 90,244	$ 89,380	$ 89,459	$ 88,410	$ 82,803	Total Income/Employees
$ 80,078	$ 77,984	$ 71,835	$ 73,254	$ 74,179	Total Expenses/Employees
$ 26,009	$ 26,330	$ 25,228	$ 22,089	$ 21,390	Personnel Expenses/Employees
					LIQUIDITY
0.017	0.023	0.026	0.025	0.028	Cash/Current Assets
0.002	0.004	0.005	0.006	0.010	FNMA Stock, At Cost/Current Assets
0.025	0.024	0.009	0.011	0.026	Marketable Securities/Current Assets
0.064	0.080	0.056	0.047	0.103	Receivables/Current Assets
0.856	0.815	0.876	0.880	0.808	Inventory/Current Assets
0.038	0.058	0.033	0.036	0.036	Other Current Assets/Current Assets
0.974	0.999	1.014	1.003	0.988	Current Assets–Current Liabilities
0.796	0.801	0.836	0.845	0.804	Current Assets/Total Assets
0.204	0.199	0.164	0.155	0.196	Noncurrent Assets/Total Assets
$ (2,278,000)	$ (33,000)	$ 804,000	$ 163,000	$ (378,000)	Current Assets—Current Liabilities
163	177	167	160	198	Number of Firms Reporting

NOTES

Figures for 1985 represent the actual experience of 163 of the mortgage banking members surveyed.

"Servicing Volume" is as of December 31, 1985, and "Volume of Loans Closed" covers the calendar year ending December 31, 1985.

For "MBA Chart of Accounts," account numbers, see Tables 1.02, 2.02, 3.02, and 4.02. For description of accounts see MBA Suggested Chart of Accounts for Mortgage Banking Companies.

Commercial Paper includes notes payable to parent.

"Average Day All Loans in Inventory" in Table 5.00 series was calculated using total mortgage loans closed during 1985 divided by average of 1985 beginning and ending balances of mortgage loan inventories, principal balances.

"Average Day 1- to 4-unit Loans in Inventory" and "Average Day Income Property Loans in Inventory" in Table 5.00 series were calculated using their respective volume of loans closed during 1985 divided by their respective volume of loans in inventory at the end of 1985.

Due to rounding, parts may not sum to totals.

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